

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY TO ANY PERSON OR ADDRESS IN OR INTO THE UNITED STATES. THE OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES LOCATED OUTSIDE OF THE UNITED STATES.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the offering circular following this page (the “Offering Circular”). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

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

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

**THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON ELECTRONICALLY OR OTHERWISE. AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

### **Important Notice to Prospective Investors**

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

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

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

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

### **Confirmation of Your Representation:**

In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (重慶巴洲文化旅遊產業集團有限公司) (the “**Issuer**”), Central Wealth Securities Investment Limited and China International Capital Corporation Hong Kong Securities Limited (the “**Joint Lead Managers**”, and each a “**Joint Lead Manager**”) that: (1) you and any customers you represent are not in the United States, (2) the e-mail address that you gave the Joint Lead Managers and to which this e-mail has been delivered is not located in the United States, (3) you consent to delivery of this document and any amendments or supplements by electronic transmission, and (4) to the extent you purchase the securities, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

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

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank (each as defined in the Offering Circular) nor any of their affiliates, directors, officers, employees, representatives, agents, advisers and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

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

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

The Offering Circular is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Circular. You are reminded that the information in the attached Offering Circular is not complete and may be changed.

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

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

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

# CHONGQING BAZHOU CULTURAL TOURISM INDUSTRY GROUP CO., LTD.

## (重慶巴洲文化旅遊產業集團有限公司)

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

### CNY266,000,000 4.7 per cent. Credit Enhanced Bonds due 2025

### with the benefit of an irrevocable Standby Letter of Credit issued by

### Evergrowing Bank Co. Ltd Chongqing Branch

### Issue Price: 100.00 per cent.

The 4.7 per cent. credit enhanced bonds in the aggregate principal amount of CNY266,000,000 due 2025 (the “**Bonds**”) will be issued by Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (重慶巴洲文化旅遊產業集團有限公司) (the “**Issuer**” or the “**Company**”), a company incorporated under the laws of the People's Republic of China (the “**PRC**”) with limited liability and with an irrevocable standby letter of credit (the “**Standby Letter of Credit**”) denominated in Renminbi and issued by Evergrowing Bank Co. Ltd Chongqing Branch (the “**LC Bank**”). See “*Appendix A – Form of Irrevocable Standby Letter of Credit*” for the form of the Standby Letter of Credit.

The Bonds bear interest on their outstanding principal amount from and including 1 December 2022 (the “**Issue Date**”) at the rate of 4.7 per cent. per annum payable semi-annually in arrear in equal installments of CNY23.50 per Calculation Amount (as defined in the terms and conditions of the Bonds (the “**Terms and Conditions**”)) on 1 June and 1 December in each year (the “**Interest Payment Date**”), commencing on 1 June 2023. All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC (including the China (Shanghai) Pilot Free Trade Zone) or any political subdivision or authority therein or thereof having power to tax, unless such set-off, counterclaim, withholding or deduction is required by law as described in “*Terms and Conditions of the Bonds – Taxation*”.

Neither the Chongqing City Banan District State-owned Assets Management Centre (“**Banan SAMC**”) nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Trust Deed and will not provide a guarantee of any kind for the Bonds. The Bondholders (as defined below) shall have no recourse to the Banan SAMC or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person.

In accordance with the Notice on the Administrative Reform for the Registration of Offshore Debt Issuances (the “**NDRC Circular**”) issued by the National Development and Reform Commission of the PRC (the “**NDRC**”) and which came into effect on 14 September 2015, the Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 12 April 2022 evidencing such registration. The Issuer has undertaken to file or cause to be filed with the NDRC the requisite information and documents within ten Registration Business Days (as defined in the Terms and Conditions) after the Issue Date in accordance with the NDRC Circular and any implementation rules as issued by the NDRC from time to time (the “**NDRC Post-issue Filing**”).

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

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 1 December 2025 (the “**Maturity Date**”). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a “**Tax Redemption Notice**”) to the Bondholders (as defined below) and in writing to the Trustee and the Principal Agent (which shall be irrevocable), at their principal amount (together with any interest accrued to, but excluding, the date fixed for redemption), if (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of any change in, or amendment to, the laws or regulations of the PRC (including the China (Shanghai) Pilot Free Trade Zone) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 25 November 2022, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Following the occurrence of a Change of Control Event (as defined in the Terms and Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 100 per cent. of their principal amount, together with accrued and unpaid interest up to (but excluding) the Put Settlement Date. In addition, the Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date immediately falling after the date on which the Pre-funding Failure Notice (as defined in the Terms and Conditions) is given to the Bondholders in accordance with Condition 4(b) of the Terms and Conditions (together with any interest accrued up to, but excluding, the Mandatory Redemption Date (as defined in the Terms and Conditions)). See “*Terms and Conditions of the Bonds – Redemption and Purchase – Mandatory Redemption upon Pre-funding Failure*”.

As there are currently no specific regulations or guidelines relating to the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone, there is some uncertainty regarding the interpretation and application of PRC taxation and foreign exchange related laws and regulations to the Bonds. See “*Taxation – PRC*”, “*Risk Factors – Risks Associated with the Bonds and the Standby Letter of Credit – Gains on the transfer of the Bonds may be subject to income tax and VAT under PRC tax laws.*” and “*Risk Factors – Risks Associated with the Bonds and the Standby Letter of Credit – Stamp duty may also be imposed during the issuance and transfer of the Bonds.*”. Investors should consult their own legal and tax advisors as needed before making its investment decision.

For a more detailed description of the Bonds, see “*Terms and Conditions of the Bonds*” beginning on page 60. The Bonds will not be rated. The Bonds will be issued in the specified denomination of CNY1,500,000 and integral multiples of CNY1,000 in excess thereof.

**The Bonds are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the bonds in the primary or secondary markets unless they are professional investors. The Bonds are complex financial instruments and are not a suitable or appropriate investment for all investors. Investing in the Bonds involves risks. Investors should be aware that there are various other risks relating to the Bonds, the Standby Letter of Credit, the Issuer, the Group, the LC Bank, and their respective businesses and their respective jurisdictions of operations which investors should familiarise themselves with before making an investment in the Bonds. See “*Risk Factors*” beginning on page 16 for a discussion of certain factors to be considered in connection with an investment in the Bonds.**

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

Approval in-principle has been received for the listing and quotation of the Bonds on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Approval in-principle from, admission to the Official List of, and listing and quotation of the Bonds on, the SGX-ST are not to be taken as an indication of the merits of the offering of the Bonds, the Issuer, the Group, their respective subsidiaries or the quality of disclosure in this Offering Circular. For so long as such Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, such Bonds will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in other currencies).

The Bonds will initially be issued in uncertificated book-entry form held in China Central Depository & Clearing Co., Ltd. (“**CCDC**”) with CCDC entered in the register of the Bonds as the sole registered holder on behalf of the persons notionally entitled thereto. Beneficial interests in the Bonds will be shown on, and transfers thereof will be effected only through, records maintained by CCDC. A custodian recognised by CCDC will, through its account with CCDC, hold beneficial interests in the Bonds on behalf of investors located outside the PRC and will maintain sub-accounts in CCDC showing such beneficial interests. Except as described in this Offering Circular, definitive certificates for the Bonds will not be issued in exchange for beneficial interests in the Bonds.

### Sole Global Coordinator

### Central Wealth Securities Investment Limited

### Joint Lead Managers and Joint Bookrunners

### Central Wealth Securities Investment Limited

### China International Capital Corporation

Offering Circular dated 25 November 2022

## NOTICE TO INVESTORS

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

The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. Investors are advised to read and understand the contents of the Offering Circular before investing. If in doubt, investors should consult their advisers.

Listing of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group or the Bonds. In making an investment decision, investors must rely on their own examination of the Issuer, the Group, the LC Bank, the Standby Letter of Credit and the terms of the offering, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

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



This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Bonds and giving of the Standby Letter of Credit described in this Offering Circular. The distribution of this Offering Circular, the offering of the Bonds and the Standby Letter of Credit in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the LC Bank, Central Wealth Securities Investment Limited and China International Capital Corporation Hong Kong Securities Limited (the “**Joint Lead Managers**”), the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank and the Agents to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds and giving of the Standby Letter of Credit or the distribution of this Offering Circular or any offering or publicity material relating to the Bonds in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*”. By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, Bonds. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

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

None of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who controls any of them, or their respective directors, officers, employees, agents, representatives, advisers and affiliates has separately verified the information contained in this Offering Circular. None of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who controls any of them, or any director, officer, employee, agent, representative, adviser or affiliate of any such person, makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy, completeness or sufficiency of any of the information contained in this Offering Circular or any information supplied in connection with the Bonds and the Standby Letter of Credit. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, adviser or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer, the Group, the LC Bank, the Standby Letter of Credit and the terms of the offering and the merits and risks involved in investing in the Bonds. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who controls any of them, or any director, officer, employee, agent, representative, adviser or affiliate of any such person, accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by any Joint Lead Manager, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or an Agent, or any person who controls any of them, or any director, officer, employee, agent, representative, adviser, or affiliate of any such person or on its behalf, in connection with the Issuer, the Group, the LC Bank, the issue and offering of the Bonds or the giving of the Standby Letter of Credit. Each of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank and the LC Bank, and any person who controls any of them, and the directors, officers, employees, agents, representatives, advisers and affiliates of such persons accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who

controls any of them, or any director, officer, employee, agent, representative, adviser or affiliate of any such person, undertakes to review the financial condition or affairs of the Issuer, the Group or the LC Bank during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who controls any of them, or any director, officer, employee, agent, representative, adviser or affiliate of any such person.

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

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018).*

**IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (THE “STABILISATION MANAGER”) OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND DIRECTIVES, OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL, BUT IN DOING SO THE STABILISATION MANAGER SHALL ACT AS PRINCIPAL AND NOT AS AGENT OF THE ISSUER AND ANY LOSS RESULTING FROM OVER-ALLOTMENT AND STABILISATION WILL BE BORNE, AND ANY PROFIT ARISING THEREFORE SHALL BE BENEFICIALLY RETAINED, BY THE STABILISATION MANAGER.**

The Joint Lead Managers or their respective affiliates may purchase the Bonds for its own account or for the accounts of their customers and enter into transactions, including credit derivative, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, investors in the Bonds may include entities affiliated with the Group. Should any of the foregoing transactions occur the trading price and liquidity of the Bonds may be impacted.

This Offering Circular summarises certain material documents and other information, and the Issuer, the LC Bank and the Joint Lead Managers refer the recipient of this Offering Circular to them for a more complete understanding of what is contained in this Offering Circular. None of the Issuer, the Group, the LC Bank, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates are making any representations regarding the legality of an investment in the Bonds under any law or regulation. The recipient of this Offering Circular should not consider any information in this Offering Circular to be legal, business or tax advice. Any investor or prospective investor should consult his/her/its own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Bonds.

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

The Trustee, the Agents, the Pre-funding Account Bank and the LC Proceeds Account Bank shall not be responsible for nor have any liability for the recitals, statements, warranties or representations of any other party contained in the Trust Deed, the Account Bank Agreement or the Service Agreement (each as defined in the Terms and Conditions) or any other document entered into by such other parties in connection with the Bonds (and the Trustee and, the Agents, the Pre-funding Account Bank and the LC Proceeds Account Bank shall assume the accuracy and correctness thereof), or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Trust Deed, the Account Bank Agreement, the Service Agreement or any such other agreement or document referred to above.

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

### **Industry and Market Data**

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

### **Presentation of Financial Information**

#### ***Financial information of the Issuer***

This Offering Circular contains consolidated financial information of the Group as at and for the years ended 31 December 2019, 2020 and 2021, which has been extracted from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 (the “**2020 Audited Consolidated Financial Statements**”) and as at and for the year ended 31 December 2021 (the “**2021 Audited Consolidated Financial Statements**”), and together with the 2020 Audited Consolidated Financial Statements, the “**Audited Consolidated Financial Statements**”). The 2020 Audited Consolidated Financial Statements have been audited by Asia Pacific (Group) Certified Public Accountants (Special General Partnership) (亞太(集團)會計師事務所(特殊普通合夥)) (“**Asia Pacific**”), the independent auditor of the Issuer for the year ended 31 December 2020, and the 2021 Audited Consolidated Financial Statements have been audited by Zhongshenzhonghuan Certified Public Accountants LLP (中審眾環會計師事務所(特殊普通合夥)) (“**Zhongshenzhonghuan**”), the current independent auditor of the Issuer. The Audited Consolidated Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in the PRC (the “**PRC GAAP**”) and Auditing Standards for Chinese Certified Public Accountants. The Managers have not and none of their affiliates, directors, employees, agents, representatives, officers and advisers has independently verified or checked the accuracy of the Audited Consolidated Financial Statements and there can be no assurance that the information contained therein is accurate, truthful or complete. PRC GAAP differs in certain material respect from International Financial Reporting Standards (“**IFRS**”). See “*Summary of Certain Material Differences Between PRC GAAP and IFRS*”.



The Audited Consolidated Financial Statements have only been prepared in Chinese and are included elsewhere in this Offering Circular. English translations of such financial statements (the “**Financial Statements Translation**”) have been prepared and included in this Offering Circular for reference only. Should there be any inconsistency between the Audited Consolidated Financial Statements and the Financial Statements Translation, the Audited Consolidated Financial Statements included elsewhere in this Offering Circular in Chinese shall prevail. The Financial Statements Translation does not itself constitute audited financial statements, and is qualified in their entirety by, and is subject to the more detailed information and the financial information set out or referred to in, the Audited Consolidated Financial Statements.

None of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank, or any person who controls any of them, or their respective directors, officers, employees, agents, representatives, advisers and affiliates has independently verified or checked the accuracy of the Financial Statements Translation and can give no assurance that the information contained in the Financial Statements Translation is accurate, truthful or complete. Consequently, such Financial Statements Translation should not be relied upon by potential purchasers to provide the same quality of information associated with information that has been subject to an audit or review. Potential purchasers must exercise caution when using such financial information to evaluate the financial condition, results of operations and prospects of the Group.

## CERTAIN TERMS AND CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the “**PRC**” and “**China**” are to the People’s Republic of China (for the purposes of description in this document only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan); all references to the “**United States**” and “**U.S.**” are to the United States of America; all references to “**PRC Government**” are to the people’s government of the PRC and its political subdivisions; all references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the People’s Republic of China; all references to “**Renminbi**”, “**RMB**” and “**CNY**” are to the lawful currency of the PRC; and all references to “**USD**”, “**U.S.\$**” and “**U.S. dollars**” are to the lawful currency of the United States of America. Historical amounts translated into Renminbi have been translated at historical rates of exchange. Such translations should not be construed as representations that the amounts referred to herein could have been or could be converted into Renminbi at those rates or any other rate at all.

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

Unless the context otherwise requires, references to “2020” and “2021” in this Offering Circular are to the years ended 31 December 2020 and 2021, respectively.

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

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

- “**CBRC**” refers to China Banking Regulatory Commission;
- “**CSRC**” refers to China Securities Regulation Commission;
- “**GDP**” refers to gross domestic product;
- “**Banan SAMC**” refers to Chongqing Banan District State-owned Assets Management Centre (重慶市巴南區國有資產管理中心) of the PRC or its successor;
- “**MOF**” refers to the Ministry of Finance of the People’s Republic of China;
- “**MOFCOM**” refers to the Ministry of Commerce of the PRC;
- “**MOHURD**” refers to the Ministry of Housing and Urban-Rural Development of the People’s Republic of China;
- “**NDRC**” refers to the National Development and Reform Commission of the People’s Republic of China or its competent local counterparts;
- “**NPC**” refers to the National People’s Congress of the PRC;

- **“PBOC”** refers to the People’s Bank of China, the central bank of the People’s Republic of China;
- **“PRC Government”** refers to the central government of the PRC and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- **“SAFE”** refers to the State Administration of Foreign Exchange of the People’s Republic of China or its competent local counterparts;
- **“SAT”** refers to the State Administration of Taxation of the People’s Republic of China;
- **“SCNPC”** refers to the Standing Committee of the National People’s Congress of the People’s Republic of China;
- **“State Council”** refers to the State Council of the People’s Republic of China; and
- **“VAT”** refers to value added tax.

## FORWARD-LOOKING STATEMENTS

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

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

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

- the Group’s ability to successfully implement its business plans and strategies;
- various business opportunities that the Group may pursue;
- the Group’s capital expenditure plans and its ability to carry out those plans;
- access and cost of capital and financing;
- changes in the competition landscape in the industries where the Group operates;
- any changes in the laws, rules and regulations of the PRC Government and the Banan SAMC and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Group’s business;
- general political and economic conditions, including those related to the PRC;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which the Group operates;
- fluctuations in prices of and demand for products and services that the Group provides;
- macroeconomic measures taken by the PRC Government to manage economic growth;
- natural disasters, industrial action, terrorist attacks and other events beyond the control of the Group;



- changes in the global economic conditions; and
- other factors, including those discussed in “*Risk Factors*”.

The Issuer does not undertake any obligation to update or revise publicly any of the opinions or forward-looking statements expressed in this Offering Circular as a result of any new information, future events or otherwise. The Issuer cautions investors not to place undue reliance on these forward-looking statements which reflect its managements’ view only as at the date of this Offering Circular. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the actual results of the Issuer or the Group could differ materially from those anticipated in these forward-looking statements.

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## SUMMARY

*The summary below is only intended to provide a very limited overview of information described in more detail elsewhere in this Offering Circular. This summary does not contain all the information that may be important to prospective investors in deciding to invest in the Bonds. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should read the entire Offering Circular, including the section entitled “Risk Factors” and the financial statements and related notes thereto, before making an investment decision.*

The Company is a key state-owned entity for infrastructure construction, investment and financing in the Banan District, Chongqing. Since its establishment in 2012, the Group has played an important role in the urban development, and social and economic advancement of the Banan District by undertaking a number of strategically important urban infrastructure construction and public facilities improvement projects. The Company is also a major water supplier in the Banan District.

Chongqing, together with Beijing, Shanghai and Tianjin, is one of the four municipalities that are under direct administration of the PRC Government, and is the only municipality in Western China. It is designated as one of the five national central cities (國家中心城市) together with Beijing, Shanghai, Tianjin and Guangzhou. Chongqing is the only transportation hub that is accessible by river, railway and air transportation in Western China. According to the Work Report of Chongqing Municipal Government in 2022 (2022年重慶市人民政府工作報告), the western land-sea corridor (西部陸海新通道), of which Chongqing serves as the key logistic hub, reaches 107 countries and 315 ports worldwide as at 31 December 2021, making Chongqing a leading city along the Yangtze River Economic Belt (長江經濟帶).

Chongqing has been involved in various government initiatives. Chongqing is the starting station of the “Chongqing-Xinjiang-Europe” railway (渝新歐鐵路) in China, which runs across a number of countries from Western China, Eastern Asia to Europe, such as Kazakhstan, Russia, Poland and Germany, playing a key role in implementing the PRC Government’s “One Belt, One Road” strategy. As part of the third batch of government-endorsed pilot free trade zone, China (Chongqing) Pilot Free Trade Zone (中國(重慶)自由貿易試驗區) serves as a major pivot connecting the inner region of China with foreign countries. Moreover, in April 2018, the PRC Government and the Singapore government launched their third government-to-government project, namely, China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (關於建設中新(重慶)戰略性互聯互通示範項目的實施協議), which further deepens the collaboration of Chongqing and Singapore. Being part of the Chengdu-Chongqing Dual-City Economic Zone (成渝雙城經濟區) which is located at the intersection linking the “Belt and Road” and the Yangtze River Economic Belt (長江經濟帶), Chongqing has been positioned as a major hub for advanced modern services including logistics and high technology product industries. According to the Work Report of Chongqing Municipal Government in 2021 (2021年重慶市人民政府工作報告), Chongqing Municipal Government intends to continue strengthening Chongqing’s significant role in Advancing the development of the western region in China, promoting the PRC government’s “Belt and Road” initiative and ecological development of the Yangtze River Economic Belt (長江經濟帶).

Chongqing has historically been a notable industrial hub in Western China with an established and solid foundation of manufacturing industry. Modern heavy machinery (including automotive manufacturing, construction equipment and power generation equipment), chemical and pharmaceutical as well as electronics and information technology manufacturing are three major industries of Chongqing. In recent years, the Chongqing Municipal Government has begun to develop Chongqing into the economic and financial centre of the upper reach of the Yangtze River. Chongqing has six state-level economic development zones and three special customs supervision zones. According to Statistical Communique on National Economic and Social Development of Chongqing in 2021 (2021年重慶市國民經濟和社會發展統

計公報) (“**2021 Statistical Communique of Chongqing**”), in 2021, the import and export volume of Chongqing reached approximately US\$800.1 billion, and the actual use of foreign capital reached approximately US\$10.7 billion. With superior investment environment, Chongqing attracts many well-known multinational companies to establish branch offices. According to 2021 Statistical Communique of Chongqing, as at 31 December 2021, 312 Fortune 500 companies had set up their branch offices in Chongqing.

The Group’s principal business segments are as follows:

- *Infrastructure Construction.* The Group is the key entity engaged in infrastructure construction business in the Banan District. Entrusted by the Banan District Government, the Group has undertaken a series of infrastructure construction projects within the Banan District, including the construction of roads, highways and other municipal infrastructures. The Group’s infrastructure construction business is mainly conducted by its subsidiary, namely Chongqing Banan Highway Construction Co., Ltd. (重慶市巴南公路建設有限公司). As at 31 December 2021, the Group had completed 17 infrastructure construction projects and had 11 infrastructure construction projects under development.
- *Land Development.* The Group is the key entity undertaking land development projects in the Banan District. Entrusted by the Banan District Government, the Group conducts its land development business mainly through the its subsidiary, namely Chongqing Banan Highway Construction Co., Ltd. Land development activities generally involve land levelling, demolition, land requisition compensation and resettlement of indigenous residents. As at 31 December 2021, the Group had nine land development projects under development with a total estimated investment amount of approximately RMB5,385.2 million.
- *Relocation Housing Development.* The Group is the key entity undertaking relocation housing development projects in Banan District. Entrusted by relevant state-owned enterprises in the Banan District, the Group conducts its relocation housing development business mainly through its subsidiary, namely Chongqing Bayuan Construction Investment Co., Ltd. (重慶巴源建設投資有限公司). Over the years, the Group has undertaken a number of key relocation development housing development projects in Banan District. As at 31 December 2021, the Group had completed eight relocation housing development projects and had three relocation housing development projects under development.
- *Water Supply.* The Group is authorised by the Water Resources Bureau of Chongqing Banan District (重慶市巴南區水利局) as a main running water supplier and water supply facility operator in the Banan District, Chongqing. The Group’s water supply business primarily involves water supply and water supply facilities construction and operation. The Group conducts its water supply business through its wholly-owned subsidiary Chongqing Yujiang Water Co., Ltd. (重慶渝江水務公司).
- *Security Services.* The Group conducts security services business primarily through its wholly-owned subsidiary Chongqing Banan Security Services Co., Ltd. (重慶巴南保安服務有限公司). The Group’s security services offer a variety of security service solutions, including gate security service, escorting service, and security patrol service.



- *Commercial Trading.* The Group conducts commercial trading business primarily through a subsidiary of the Company, namely Chongqing Banan Education Development Co., Ltd. (重慶市巴南教育發展有限公司) The Group's commercial trading business is mainly involved in the sale of food products, such as rice, flour and edible oil, to middle schools of Banan District, supplying such essentials to cafeterias of the schools.
- *Other Business.* The Group also engages in other businesses to support its principal business, including installation and maintenance of pipelines, leasing and designated driving service business.

For the years ended 31 December 2019, 2020 and 2021, the total operating revenue generated from the Group's business operation was approximately RMB2,040.6 million, RMB3,118.8 million, and RMB2,583.1 million, respectively. As at 31 December 2019, 2020 and 2021, total assets of the Group were approximately RMB26,957.0 million, RMB31,138.2 million, and RMB32,829.7 million, respectively.

## **COMPETITIVE STRENGTHS**

The Group believes that the following strengths are important to its success and future development.

- The key infrastructure construction entity with proven track record and important strategic presence in the Banan District that has extensive experience and strong presence in urban development;
- Well-positioned to leverage the significant future development potential of the Banan District to achieve business growth;
- Strong support from the Company's sole shareholder;
- Sufficient capital from diversified financing channels and healthy debt ratio;
- Robust risk management mechanism;
- Sound corporate governance with experienced senior management team and quality employees.

## **BUSINESS STRATEGIES**

The Group intends to focus on the following business strategies.

- Continue to focus on its principal businesses to realise a sustainable growth;
- Continue to diversify the Group's business portfolio and cultivate new business that synergies with the Group's core business;
- Continue to diversify the Group's funding channels;
- Continue to strengthen risk management and corporate governance.

## THE ISSUE

*The following summary contains some basic information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” shall have the same meanings in this summary. For a more complete description of the terms and conditions of the Bonds, see “Terms and Conditions of the Bonds”.*

<b>Issuer</b>	Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (重慶巴洲文化旅遊產業集團有限公司).
<b>LC Bank</b>	Evergrowing Bank Co. Ltd Chongqing Branch.
<b>Issue</b>	CNY266,000,000 in the aggregate principal amount of 4.7 per cent. Credit Enhanced Bonds due 2025.
<b>CCDC Code</b>	G228055.
<b>Issue Price</b>	100.00 per cent. of the principal amount of the Bonds.
<b>Form and Denomination</b>	The Bonds will be issued in the specified denomination of CNY1,500,000 and integral multiples of CNY1,000 in excess thereof.
<b>Interest</b>	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.7 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY23.50 per Calculation Amount (as defined in the Terms and Conditions) on 1 June and 1 December in each year (each an “ <b>Interest Payment Date</b> ”), commencing on 1 June 2023.
<b>Issue Date</b>	1 December 2022.
<b>Maturity Date</b>	1 December 2025.
<b>Status of the Bonds</b>	<p>The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, as further described in Condition 2 (<i>Status</i>) of the Terms and Conditions.</p> <p>Neither Banan SAMC nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Deed of Covenant and will not provide a guarantee of any kind for the Bonds. The Bondholders shall have no recourse to Banan SAMC or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Deed of Covenant. The Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Deed of Covenant shall solely be fulfilled by the Issuer as an independent legal person.</p>

## Use of Proceeds

The net proceeds from the offering of the Bonds will be used for supplement of current capital. See “*Use of Proceeds*”.

## Standby Letter of Credit

The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or by such method of communication otherwise as permitted under the Standby Letter of Credit) sent by or on behalf of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (the “**Demand**”) stating that (i) the Issuer has failed to comply with Condition 4(b) (*Pre-funding*) of the Terms and Conditions in relation to pre-funding the amount that is required to be pre-funded under the Terms and Conditions and/or has failed to provide the Required Confirmations (as defined below) in accordance with Condition 4(b) (*Pre-funding*) of the Terms and Conditions; or (ii) an Event of Default (as defined in Condition 10 of the Terms and Conditions) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with the Terms and Conditions.

Only one drawing is permitted under the Standby Letter of Credit.

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

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

The LC Bank’s aggregate liability under the Standby Letter of Credit shall be expressed and payable in CNY and shall not exceed CNY279,384,900 (the “**Maximum Limit**”), an amount representing (i) the aggregate principal amount of the Bonds plus interest payable for one interest period (being six months) in accordance with the Condition 4(a) of the Terms and Conditions and (ii) CNY7,133,900 being the maximum amount payable under the Standby Letter of Credit for any fees, costs, expenses, indemnity and all other amounts payable by the Issuer to the Trustee under or in connection with the Bonds, the Trust Deed, the Account Bank Agreement and/or any other transaction document relating to the Bonds. Unless otherwise specified in the Standby Letter of Credit, the Standby Letter of Credit takes effect from the Issue Date and expires at 5:00 p.m. (Beijing time) on 31 December 2025.

## Pre-funding

In order to provide for the payment of any amount in respect of the Bonds (other than the amounts payable under Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) of the Terms and Conditions) (the “**Relevant Amount**”) as the same shall become due, the Issuer shall, in accordance with the Account Bank Agreement, by no later than the Business Day falling ten Business Days (the “**Pre-funding Date**”) prior to the due date for such payment under the Terms and Conditions:

- (i) unconditionally pay or procure to be paid the Relevant Amount in immediately available and cleared funds into the Pre-funding Account (as defined in the Terms and Conditions); and
- (ii) deliver to the Trustee and the Principal Agent by facsimile or by email (a) a Payment and Solvency Certificate signed by any Authorised Signatory (as defined in the Trust Deed), and (b) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Agent by no later than 10:00 a.m. (Beijing time) on the Business Day immediately preceding the due date for such payment together, the “**Required Confirmations**”).

If the Relevant Amount has not been paid into the Pre-funding Account in full and the Pre-funding Account Bank has notified the Trustee of such failure, or the Trustee does not receive the Required Confirmations, in each case by 11:00 a.m. (Beijing time) on the Business Day immediately following the Pre-funding Date (a “**Pre-funding Failure**”), the Trustee shall:

- (i) send the notice substantially in the form set out in the Trust Deed (the “**Pre-funding Failure Notice**”) to the Bondholders on the second Business Day immediately following the Pre-funding Date of (a) the Pre-funding Failure and (b) the redemption of the Bonds in accordance with Condition 7(d) to occur as a result of the Pre-funding Failure, and



(ii) by no later than 11:00 a.m. (Beijing time) on the second Business Day immediately following the Pre-funding Date issue a Demand to the LC Bank (which shall be presented by the Trustee in accordance with the Standby Letter of Credit) for the aggregate principal amount in respect of all of the Bonds then outstanding, together with interest accrued to, but excluding, the Mandatory Redemption Date (as defined in Condition 7(d) of the Terms and Conditions) and all fees, costs, expenses, indemnity and other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Account Bank Agreement and/or any other transaction documents relating to the Bonds, provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of the Demand by authenticated SWIFT to the LC Bank (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a Demand via facsimile transmission to the LC Bank). Following receipt by the LC Bank of such Demand by 5:00 p.m. (Beijing time) on a Business Day, the LC Bank shall by 11:00 a.m. (Beijing time) on the fourth Business Day following such Business Day (or, if such Demand is received by the LC Bank after 5:00 p.m. (Beijing time) on a Business Day, the fifth Business Day following such Business Day), pay to or to the order of the Trustee the amount in Renminbi specified in the Demand in immediately available funds to the LC Proceeds Account.

#### **Events of Default**

Upon the occurrence of certain events as described in Condition 10 (*Events of Default*) of the Terms and Conditions, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), shall (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer (with a copy to the Principal Agent at its specified office) that the Bonds become immediately due and payable at their principal amount together with any premium and accrued and unpaid interest (if any).

## **Taxation**

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

Where such withholding or deduction is made by the Issuer for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC (including the China (Shanghai) Pilot Free Trade Zone) at a rate up to and including the aggregate rate applicable on 25 November 2022 (the “**Applicable Rate**”), the Issuer will pay such additional amounts as will result in receipt by the Bondholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

If the Issuer is required to make any deduction or withholding by or within the PRC (including the China (Shanghai) Pilot Free Trade Zone) or any political subdivision or any authority therein or thereof having power to tax in excess of the Applicable Rate, the Issuer shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in the circumstances set out in Condition 9 (*Taxation*) of the Terms and Conditions.

## **Final Redemption**

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Interest Payment Date falling on the Maturity Date.

## **Redemption for Change of Control Events**

Following the occurrence of a Change of Control Event, the Holder of any Bond will have the right, at such Holder’s option, to require the Issuer to redeem in whole, but not in part, of such Holder’s Bonds on the Put Settlement Date at 100 per cent. of their principal amount, together with accrued and unpaid interest up to (but excluding) the Put Settlement Date, as further described in Condition 7(c) (*Redemption for Change of Control Event*) of the Terms and Conditions.

**Redemption for Taxation Reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, at their principal amount (together with any unpaid interest accrued up to, but excluding, the date fixed for redemption), if:

- (i) the Issuer has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the PRC (including the China (Shanghai) Pilot Free Trade Zone) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 25 November 2022; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due, as further described in Condition 7(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

**Mandatory Redemption upon  
Pre-funding Failure**

The Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date immediately falling after the date on which the Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (*Pre-funding*) of the Terms and Conditions (the “**Mandatory Redemption Date**”) (together with interest accrued to, but excluding, the Mandatory Redemption Date), provided that if the holder of any Bond shall have exercised its right to require the Issuer to redeem its Bonds pursuant to Condition 7(c) (*Redemption for Relevant Events*) of the Terms and Conditions and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (*Pre-funding*) of the Terms and Conditions as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, such holder's Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with Condition 7(d) of the Terms and Conditions on the Put Settlement Date, together with any interest accrued up to, but excluding, the Put Settlement Date, and the term “**Mandatory Redemption Date**” shall be construed accordingly.

**Further Issues**

The Issuer is at liberty from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing for complying with the requirements set out in the Terms and Conditions in relation to the NDRC Post-issue Filing (as defined in the Terms and Conditions)) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, as further described in Condition 15 (*Further Issues*) of the Terms and Conditions.

**Trustee**

CMB Wing Lung (Trustee) Limited.

**Principal Agent, Registrar and Transfer Agent**

CCDC.

**Pre-funding Account Bank and LC Proceeds Account Bank**

CMB Wing Lung Bank Limited.

**Clearing and Settlement**

The Bonds will initially be issued in uncertificated book-entry form held in CCDC with CCDC entered in the register of the Bonds as the sole registered holder on behalf of the persons notionally entitled thereto. Beneficial interests in the Bonds will be shown on, and transfers thereof will be effected only through, records maintained by CCDC. A custodian recognised by CCDC will, through its account with CCDC, hold beneficial interests in the Bonds on behalf of investors located outside the PRC and will maintain sub-accounts in CCDC showing such beneficial interests.

Except as described in this Offering Circular, definitive certificates for the Bonds will not be issued in exchange for beneficial interests in the Bonds.

**Governing Law**

Hong Kong law.

**Jurisdiction**

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Account Bank Agreement or the Standby Letter of Credit.

**Listing**

Approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Approval in-principle from, admission to the Official List of, and listing and quotation of the Bonds on, the SGX-ST are not to be taken as an indication of the merits of the offering of the Bonds, the Issuer, the Company, the Group, their respective subsidiaries or the quality of disclosure in this Offering Circular. For so long as such Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, such Bonds will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in other currencies).

**Selling Restrictions**

The Bonds and the Standby Letter of Credit have not been and will not be registered under the Securities Act or under any state securities laws of the United States, are being offered only outside the United States in reliance of Regulation S of the Securities Act and will be subject to customary restrictions on transfer and resale. See “*Subscription and Sale*”.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The summary consolidated financial information of the Group as at and for the years ended 31 December 2019, 2020 and 2021 set forth below is derived from the Audited Consolidated Financial Statements. The 2020 Audited Consolidated Financial Statements have been audited by Asia Pacific, the independent auditor of the Company for the year ended 31 December 2020, and the 2021 Audited Consolidated Financial Statements have been audited by Zhongshenzhonghuan, the current independent auditor of the Company. The Audited Consolidated Financial Statements were prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. For a summary of the material differences, see *“Summary of Certain Material Differences between PRC GAAP and IFRS”*.

The Audited Consolidated Financial Statements have only been prepared in Chinese and are included elsewhere in this Offering Circular. English translations of such financial statements (the **“Financial Statements Translation”**) have been prepared and included in this Offering Circular for reference only. Should there be any inconsistency between the Audited Consolidated Financial Statements and the Financial Statements Translation, the Audited Consolidated Financial Statements included elsewhere in this Offering Circular in Chinese shall prevail. The Financial Statements Translation does not itself constitute audited financial statements, and is qualified in their entirety by, and is subject to the more detailed information and the financial information set out or referred to in, the Audited Consolidated Financial Statements.

None of the Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank or their respective affiliates, directors, officers, employees, representatives, agents or advisors or any other person has independently verified or checked the accuracy of the Financial Statements Translation and can give no assurance that the information contained in the Financial Statements Translation is accurate, truthful or complete. Consequently, such Financial Statements Translation should not be relied upon by potential purchasers to provide the same quality of information associated with information that has been subject to an audit or review. Potential purchasers must exercise caution when using such financial information to evaluate the financial condition, results of operations and prospects of the Group.

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the relevant consolidated financial statements of the Group, including the notes thereto, included elsewhere in this Offering Circular.



# SUMMARY CONSOLIDATED BALANCE SHEET

	As at 31 December		
	2019	2020	2021
	(RMB) (audited)	(RMB) (audited)	(RMB) (audited)
	(in thousands)		
<b>Current assets</b>			
Cash and cash equivalents . . . . .	1,836,074.8	2,353,526.0	1,486,673.3
Notes receivable . . . . .	1,000.0	—	—
Accounts receivable . . . . .	730,091.3	3,089,027.6	2,290,204.9
Prepayments . . . . .	62,928.2	105,169.2	9,494.6
Other receivables . . . . .	2,150,251.4	1,274,277.4	3,073,832.5
Inventories . . . . .	11,954,783.5	12,479,072.2	12,779,970.9
Other current assets . . . . .	61,897.4	37,388.9	117,393.7
<b>Total current assets</b> . . . . .	<u>16,797,026.6</u>	<u>19,338,461.3</u>	<u>19,757,569.8</u>
<b>Non-current assets</b>			
Available-for-sale financial assets . . . . .	38,970.0	38,970.0	—
Long-term receivables . . . . .	60,544.7	134,606.7	—
Other equity instrument investments . . . . .	—	—	71,340.4
Other non-current financial assets . . . . .	—	—	—
Investment properties . . . . .	1,562,318.0	1,973,876.3	2,468,489.2
Fixed assets . . . . .	89,041.3	52,461.8	130,236.8
Construction in progress . . . . .	317,857.9	369,768.9	415,180.9
Intangible assets . . . . .	17.2	6.8	550,569.7
Long-term deferred expenses . . . . .	6,736.2	4,503.5	3,391.3
Deferred tax assets . . . . .	6,102.4	1,667.3	3,877.8
Other non-current assets . . . . .	8,078,375.6	9,223,927.3	9,429,011.8
<b>Total non-current assets</b> . . . . .	<u>10,159,963.2</u>	<u>11,799,788.6</u>	<u>13,072,097.9</u>
<b>Total assets</b> . . . . .	<u>26,956,989.8</u>	<u>31,138,250.0</u>	<u>32,829,667.7</u>
<b>Current liabilities</b>			
Short-term borrowings . . . . .	239,000.0	465,950.0	1,051,500.0
Notes payable . . . . .	132,000.0	568,000.0	—
Accounts payable . . . . .	214,159.2	936,236.1	160,722.3
Advances from customers . . . . .	306,683.7	1,473,880.0	1,970.5
Contract liabilities . . . . .	—	—	1,046,866.3
Payroll payable . . . . .	24,365.1	18,925.9	19,391.9
Taxes and surcharges payable . . . . .	376,690.3	500,813.4	510,080.5
Other payables . . . . .	4,858,464.1	3,596,983.7	3,847,187.0
Non-current liabilities due within one year . . . . .	1,102,386.0	3,058,500.6	3,898,922.9
Other current liabilities . . . . .	—	—	280,137.9
<b>Total current liabilities</b> . . . . .	<u>7,253,748.4</u>	<u>10,619,289.7</u>	<u>10,816,779.2</u>
<b>Non-current liabilities</b>			
Long-term borrowings . . . . .	3,987,492.0	3,745,613.7	4,863,022.0
Bonds payable . . . . .	2,009,009.1	1,860,933.3	1,557,728.2
Long-term payables . . . . .	1,712,792.3	2,935,987.7	1,846,407.4
Deferred income . . . . .	—	2,500.7	22,634.0
Deferred tax liabilities . . . . .	168,727.3	210,294.2	220,411.0
Other non-current liabilities . . . . .	303,000.0	—	984,210.8
<b>Total non-current liabilities</b> . . . . .	<u>8,181,020.6</u>	<u>8,755,329.5</u>	<u>9,494,413.5</u>
<b>Total liabilities</b> . . . . .	<u>15,434,769.0</u>	<u>19,374,619.2</u>	<u>20,311,192.7</u>
<b>Owner's equity</b>			
Paid-in capital . . . . .	10,000.0	110,000.0	610,000.0
Capital reserves . . . . .	9,795,235.1	9,795,235.1	9,872,673.0
Other comprehensive income . . . . .	463,231.0	463,231.0	464,866.3
Retained earnings . . . . .	1,241,051.5	1,382,202.1	1,555,399.1
Total owners' equity attributable to the parent company . . . . .	11,509,517.6	11,750,668.2	12,502,938.5
Minority interests . . . . .	12,703.2	12,962.6	15,536.5
<b>Total owners' equity</b> . . . . .	<u>11,522,220.8</u>	<u>11,763,630.8</u>	<u>12,518,475.0</u>
<b>Total liabilities and owners' equity</b> . . . . .	<u>26,956,989.8</u>	<u>31,138,250.0</u>	<u>32,829,667.7</u>

## SUMMARY CONSOLIDATED INCOME STATEMENT

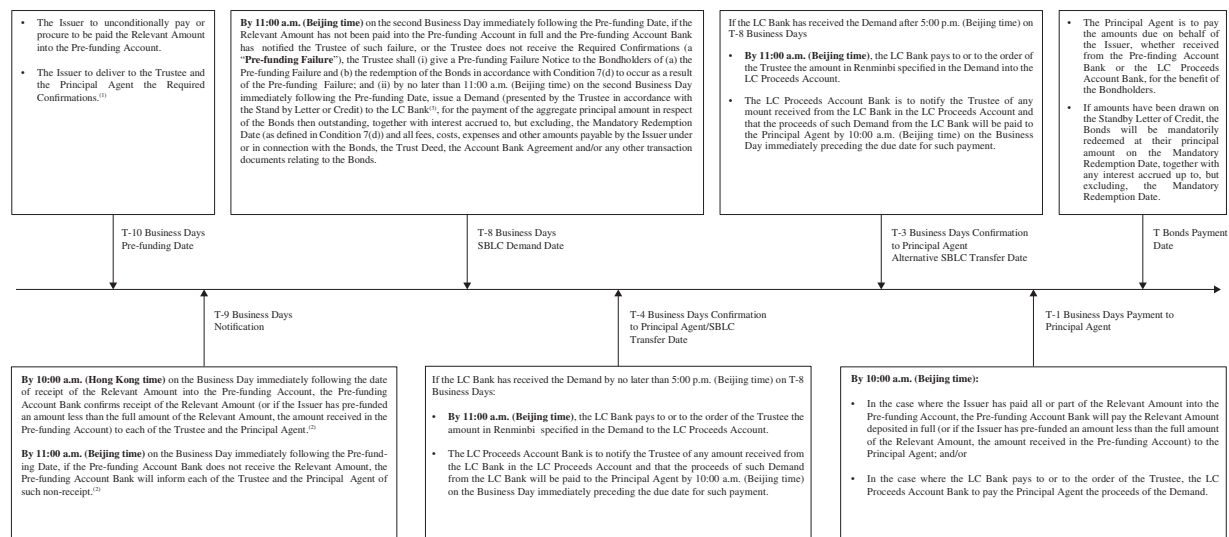
	For the year ended 31 December		
	2019	2020	2021
	(RMB)	(RMB)	(RMB)
	(audited)	(audited)	(audited)
	(in thousands)		
<b>Total operating revenues</b> . . . . .	2,040,574.6	3,118,804.5	2,583,092.6
Operating costs . . . . .	(1,816,666.2)	(2,898,169.8)	(2,296,410.3)
Taxes and surcharges . . . . .	(8,944.1)	(13,462.6)	(19,776.4)
Selling expenses. . . . .	(6,086.7)	(5,077.1)	(4,230.1)
Administrative expenses . . . . .	(74,329.0)	(67,871.1)	(115,773.1)
Financial costs. . . . .	(6,057.4)	(3,687.3)	(103,111.8)
Other income. . . . .	108,624.4	85,026.3	158,682.8
Investment income . . . . .	3,121.7	5,376.0	2,952.8
Gains from changes in fair values . . . . .	1,611.8	163,767.3	38,555.2
Credit impairment losses . . . . .	–	–	(6,877.5)
Impairment loss on assets . . . . .	(11,824.1)	5,594.3	(235.6)
Gains from disposal of assets . . . . .	64.5	303.1	–
<b>Operating profit</b> . . . . .	230,089.4	390,603.6	236,868.5
Non-operating income . . . . .	20,015.0	34,320.8	8,576.2
Non-operating expenses . . . . .	(13,063.8)	(127,805.5)	(10,317.1)
<b>Total profit</b> . . . . .	237,040.6	297,118.9	235,127.6
Income tax expenses . . . . .	(28,899.1)	(90,745.5)	(60,373.8)
<b>Net profit</b> . . . . .	208,141.5	206,373.4	174,753.8
Attributable to owners of the parent company . . . . .	206,819.3	206,114.0	171,456.7
Minority interest . . . . .	1,322.2	259.4	3,297.1
<b>Other comprehensive income after tax</b> . . . . .	–	–	780.9
<b>Total comprehensive income</b> . . . . .	208,141.5	206,373.4	175,534.7
Attributable to owners of the parent company . . . . .	206,819.3	206,114.0	172,237.6
Attributable to minority shareholders . . . . .	1,322.2	259.4	3,297.1

## SUMMARY CONSOLIDATED CASH FLOW STATEMENT

	For the year ended 31 December		
	2019	2020	2021
	(RMB)	(RMB)	(RMB)
	(audited)	(audited)	(audited)
	(in thousands)		
Net cash flows from operating activities . . . . .	1,110,403.7	(1,602,974.1)	111,319.6
Net cash flows from investing activities . . . . .	(457,673.4)	(313,014.7)	(2,273,770.2)
Net cash flows from financing activities . . . . .	815,817.9	2,015,790.0	1,760,248.0
<b>Net increase in cash and cash equivalents</b> . . . . .	1,468,548.1	99,801.2	(402,202.7)
Opening balance of cash and cash equivalents . . . . .	301,526.7	1,770,074.8	1,869,876.0
<b>Closing balance of cash and cash equivalents</b> . . . . .	1,770,074.8	1,869,876.0	1,467,673.3

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

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



### Notes:

- The Required Confirmations consist of: (a) a Payment and Solvency Certificate signed by any Authorised Signatory; and (b) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Agent by no later than 10:00 a.m. (Beijing time) on the Business Day immediately preceding the due date for such payment.
- The confirmation from the Pre-funding Account Bank to the Trustee and the Principal Agent shall be by way of authenticated SWIFT or other means of communication as the Trustee or the Principal Agent may in its discretion agree with the Pre-funding Account Bank.
- The Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead email enclosing the scanned copy of the Demand to the LC Bank). An email Demand from the Trustee will be accompanied by a copy of a list of authorised signatories of the Trustee.

## RISK FACTORS

*An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks relating to the Group, its business, the market in which the Group operates and the value of Bonds. Some risks may be unknown to the Issuer or the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations or prospects of the Issuer and the Group or the value of the Bonds. The Issuer and the Group believe that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the ability of the Issuer or the Group to pay interest, principal or other amounts on or in connection with any Bonds may be affected by some factors that may not be considered as significant risks by the Issuer or the Group based on information currently available to them or which they are currently unable to anticipate. All of these factors are contingencies which may or may not occur, and none of the Issuer or the Group is in a position to express a view on the likelihood of any such contingency occurring. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.*

*Neither the Issuer nor the Group represents that the statements below regarding the risk factors of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### RISKS ASSOCIATED WITH THE GROUP'S BUSINESSES

**The Group's business, financial condition, results of operations and prospects are heavily dependent on the level of economic development in Chongqing, and the PRC.**

The Group's business and assets are highly concentrated in Chongqing, focusing mainly on infrastructure construction, water supply, land development, security services, commercial trading and relocation housing development. Therefore, its business, financial condition, results of operations and prospects have been and will continue to be heavily dependent on the level of economic development in Chongqing, and the PRC in general. The PRC's economy experienced rapid growth in the past 40 years; however, there had been a slowdown in the growth rate since the second half of 2013 to 2020. According to the National Bureau of Statistics of the PRC (中華人民共和國國家統計局), the annual growth rate of the PRC's GDP slowed down from 7.8 per cent. in 2013 to 2.2 per cent. in 2020. During the same period, the annual growth rate of GDP in Chongqing slowed down from 12.3 per cent. to 3.9 per cent according to the Chongqing Municipal Bureau of Statistics (重慶市統計局). In particular, the outbreak of the novel coronavirus disease ("COVID-19") has adversely affected, and may continue to adversely affect, the level of economic development in Chongqing and the PRC. See also "– The Group's business may be affected by natural disasters, epidemics and other acts of God, including the recent COVID-19 pandemic".

The PRC's economy shows a sign of recovery in 2021. According to the National Bureau of Statistics of the PRC, the annual growth rate of the PRC's GDP has increased to 8.1 per cent. According to the Chongqing Municipal Bureau of Statistics, the annual growth rate of GDP in Chongqing increased to 8.3 per cent for the same period. However, considering the relatively low growth rates of the preceding year and the growing uncertainties in global economy due to the ongoing COVID-19 pandemic and international political environment, the growth rates of 2021 can be unrepresentative. See also "– China has experienced a slowdown in its economic development and the future performance of China's economy is uncertain". There is no assurance that the level of economic development in Chongqing will continue

to grow at the rates seen in the last year. Any further slowdown in the economic development in Chongqing may affect their development plans, which may in turn decrease the demand for the Group's business and adversely affect the Group's business, financial condition, results of operations and prospects, given that the Group's business and prospects depend, to a large extent, upon the public spending on urban development and construction in Chongqing.

The Company is a state-owned enterprise wholly owned by the Banan SAMC, a government organ of the Chongqing Municipal Government. The Group is tasked to implement infrastructure construction, land development and relocation housing development plans of Banan SAMC and Chongqing Municipal Government. The Group's business and prospects are affected by the budget and spending of the Chongqing Municipal Government on such projects. For example, the infrastructure construction business conducted by the Group is generally relating to infrastructure construction projects commissioned by Banan SAMC and other government agencies in the Chongqing, where construction services are provided according to the agreements between the Group and the Banan SAMC or the relevant government agencies, with the commissions being subject to the approval by the relevant government agency. There are many factors affecting the amount, timing and priority of the budget and spending of the Banan SAMC and the Chongqing Municipal Government on infrastructure construction, land development and relocation housing development projects, such as national and regional policies on the development of different industries as well as fiscal and monetary policies. Government budget and spending are also affected by government revenue, which in turn is affected by the general economic conditions. Any slowdown in the economic growth in the PRC may adversely affect the fiscal condition and revenue of the Chongqing Municipal Government, which may in turn cause the Chongqing Municipal Government to reduce its budget and spending on infrastructure construction, land development, relocation housing development and other public projects. In such case, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

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

The PRC Government has in recent years issued multiple regulations intended to restrict the ability of local governments to use state-owned enterprises to incur debt that should be directly incurred by government bodies. These regulations include: the Notice on Strengthening the Administration of Local Government Financing Vehicles (Guo Fa [2010] No. 19) (關於加強地方政府融資平台公司管理有關問題的通知(國發[2010]19號)) ("Circular 19") issued in June 2010, the Notice on Further Regulating Issuance of Bonds by Local Government Financing Vehicles (Fa Gai Ban Cai Jin [2010] No. 2881) (關於進一步規範地方政府投融資平台公司發行債券行為有關問題的通知(發改辦財金[2010]2881號)) released by the NDRC issued in November 2010 ("Circular 2881"), the Opinion of the State Council on Enhancing the Administration of Fiscal Debts of Local Governments (Guo Fa [2014] No. 43) (國務院關於加強地方政府性債務管理的意見(國發[2014]43號)) ("Circular 43") released on 21 September 2014, the Circular on Further Regulating the Debt Financing Activities of Local Governments (Cai Yu [2017] No. 50) (關於進一步規範地方政府舉債融資行為的通知(財預[2017]50號)) ("Circular 50") jointly issued by the MOF, the NDRC, the Ministry of Justice of the PRC, the PBOC, the CBRC (subsequently reorganised into the China Banking and Insurance Regulatory Commission ("CBIRC")) and the China Securities Regulatory Commission on 26 April 2017, the Circular on Firmly Curbing Local Governments' Illegal Financing Activities in the Name of Government Procurement of Services (Cai Yu [2017] No. 87) (關於堅決制止地方以政府購買服務名義違法違規融資的通知(財預[2017]87號)) ("Circular 87") issued by the MOF on 28 May 2017, the Notice on the Investment and Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (Cai Jin [2018] No. 23) (關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) ("Circular 23") issued by the MOF on 28 March 2018, the Circular of the National Development and Reform Commission and the Ministry of



Finance on the Improvement of Market Regulatory Regime and Strict Prevention of Risks Relating to Foreign Debt and Local Government Indebtedness (Fa Gai Wai Zi [2018] No. 706) (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知(發改外資[2018]706號)) (“**Circular 706**”) jointly issued by the NDRC and the MOF on 11 May 2018, the Guiding Opinion on Strengthening the Asset and Liability Constraints of State-Owned Enterprises (中共中央辦公廳、國務院辦公廳《關於加強國有企業資產負債約束的指導意見》) (the “**Joint Opinion**”) jointly issued by the General Office of the Central Committee of the Communist Party of China and the State Council on 13 September 2018, the Circular on Filing Requirements with respect to Application for Foreign Debt Issuance by Local State-owned Enterprises (Fa Gai Ban Wai Zi [2019] No. 666) (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) (“**Circular 666**”) issued by the General Office of NDRC on 6 June 2019, and the Guidelines for Banking and Insurance Institutions to Further Prevent and Defuse the Risks of Implicit Local Government Debt (Yin Bao Jian Fa [2021] No. 15) (銀行保險機構進一步做好地方政府隱性債務風險防範化解工作的指導意見(銀保監發[2021]15號)) issued by the CBRC (“**Circular 15**”) (together with Circular 43, Circular 50, Circular 87, Circular 23, Circular 706, the Joint Opinion, Circular 666 and Circular 15, the “**Debt Control Circulars**”).

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

In July 2021, the CBRC issued the Circular 15, which provides that the banks and insurance institutions shall not increase any new local government implicit debt in any form. Circular 15 also provides that, the financing provided by banks and insurance institutions shall meet the following requirements: (i) It is not allowed to provide financing which actually will be repaid by government fiscal funds, or guaranteed by the government; (ii) the banks and insurance institutions shall not require or accept guarantee documents issued by local government or their departments; (iii) the banks and insurance institutions shall not require or accept any guarantee using the state-owned assets of local government, public institution or social organisation as guaranty; (iv) the banks and insurance institutions shall not require or accept any guarantee with government reserve land or expected land sale income as guaranty; (v) in PPP projects or government investment fund projects, the banks and insurance institutions shall not stipulate or require local government to repurchase the investment principal, bear the loss of the investment principal or guarantee the minimum return; (vi) financing services provided by banks and insurance institutions shall not be included in government purchase services; (vii) existing local government financing shall be rectified in accordance with relevant regulations; (viii) it is not allowed to increase any implicit local government debt in any form. The Group believes that the PRC Government will continue to implement the Debt Control Circulars to control local government debts. Accordingly, the Group should rely on the cash flow generated from its operations and external borrowings to finance its operations and to satisfy its liquidity needs. Pursuant to the terms of the Bonds and as required by the Debt Control Circulars, neither Banan SAMC, the Chongqing Municipal Government nor any other PRC governmental entity has any obligation to repay any amount under the Bonds and will not provide a guarantee of any kind for the Bonds. The Bonds are solely to be repaid by the Issuer, and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. The liability of the Banan



SAMC to the Issuer's indebtedness is limited to its equity contribution to the Issuer. If the Issuer does not fulfil its obligations under the Bonds or the Trust Deed, the Bondholders will only have recourse against the Issuer and not the Banan SAMC, the Chongqing Municipal Government or any other PRC governmental entity.

The PRC Government may continue to release new policies or amend existing regulations to control the incurrence of local governmental debt. There is no assurance that the Group's financing and business model and its indebtedness will not be materially affected by future changes in the regulatory regime concerning the local state-owned enterprises in response to such regulations.

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

According to Circular 706, any public interest assets such as public schools, public hospitals, cultural facilities, parks, public squares, office buildings of government departments and institutions, municipal roads, non-toll bridges, non-operating water conservancy facilities, no-charge pipe network facilities and other public interest assets and the usage rights of reserve land cannot be counted towards the Group's assets for the purposes of issuing medium and long-term foreign debt. As at 31 December 2021, the Group's other non-current assets consisted of forest property assets of approximately RMB3,808.7 million, representing approximately 11.6 per cent. of the Group's total assets as at the same date. For details, please see "VI. Notes to the consolidated financial statements – 16. Other non-current assets" of the Group's consolidated financial statements as at and for the year ended 31 December 2021. Such assets are public interest assets, potential investors thus must exercise caution when using or placing any reliance on such amount.

Prospective investors should not take into account the Group's public interest assets when assessing the Group's business, financial condition, results of operations and prospects as the enforcement towards the Group's public interest assets may involve uncertainties. The Group's public interest assets have not been excluded from the Group's consolidated financial statements included in this Offering Circular, potential investors must therefore exercise caution when using such consolidated financial statements to evaluate the Group's business, financial condition, results of operations and prospects. In addition, as at the date of this Offering Circular, the Group does not have any plan to dispose the public interest assets. For the purposes of preparing the consolidated financial statements, the Group will continue to include all of its assets (including the public interest assets) in the consolidated financial statements in accordance with the PRC GAAP. The Bondholders must exercise caution when evaluating the Group's business, financial condition, results of operations and prospects when reviewing the consolidated financial statements prepared by the Group.

Circular 706 further provides that the punishment for enterprises involved in unlawful financing and guarantee shall be intensified, such enterprises shall be included in the blacklist of relevant fields and the national credit information sharing platform for publicity, trans-departmental joint punishment shall be implemented, notification shall be made in a timely manner, and relevant liable parties shall be restricted from filing new applications or participating in the recordation and registration of foreign debts.

Given the limited volume of published decisions relating to Circular 706, the interpretation and implementation of Circular 706 involves uncertainties. In addition, there can be no assurance that the PRC Government will not impose penalty on the Group according to Circular 706 or impose additional or stricter laws and regulations relating to foreign debt financing, which may increase the Group's financing costs and in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Banan SAMC, the Banan District Government and the Chongqing Municipal Government can exert significant influence over the Group, and may not act in the best interests of the Group.**

The Company is wholly owned and controlled by the Banan SAMC, a government organ of the Chongqing Municipal Government. Banan SAMC participates in and closely monitors the Group's decision-making process for key projects, reviews the Group's development strategies and investment plans, and appoints, and conducts annual appraisals on, the directors and supervisors of the Company. Because of the involvement of the Banan SAMC in the affairs of the Group, the Group may not be able to make decisions, take actions or invest or operate its businesses in manners that are always in its best interests or that aim to maximise its profits.

In addition, Banan SAMC and the Chongqing Municipal Government may also exert significant influence on the Group's major business decisions and strategies, including the scope of their operations, investment decisions and dividend policies. There is no assurance that the Banan SAMC and the Chongqing Municipal Government would always make decisions in the Group's best interests or with the aim of maximising the Group's profits. Banan SAMC may influence the Group's business and strategies in a manner beneficial to Chongqing as a whole but not necessarily in the Group's best interests. For example, 50 per cent. of total shares of the Group's two subsidiaries, namely Chongqing Yujiang Water Co., Ltd. (重慶渝江水務公司) and Chongqing Nancheng Water Co. Ltd. (重慶南城水務有限公司) are planned to be transferred to Chongqing Water Conservancy Investment Group Co., Ltd (重慶市水利投資(集團)有限公司), which is controlled by Chongqing State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會) without consideration. The Chongqing Municipal Government could also change its policies, plans, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the PRC's economic, political and social environment and its projections of population and employment growth. Any such change may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

**A reduction or discontinuance of government support could materially and adversely affect the Group's business, financial condition, results of operations and prospects.**

As a state-owned enterprise wholly owned by the Banan SAMC, the Group regularly receives financial supports and preferential treatments from the Banan SAMC and the Chongqing Municipal Government. These supports may come in various forms, such as favourable policies, government grants and subsidies, asset transfers and capital injections. For the years ended 31 December 2019, 2020 and 2021, the government grant received by the Group amounted to RMB108.6 million, RMB85.0 million, and RMB158.7 million, respectively. There is no assurance that the Banan SAMC or the Chongqing Municipal Government will continue to provide such supports and preferential treatments to the Group or that the existing government supports will not be adjusted or terminated, any of which may materially and adversely affect the Group's business, financial condition, results of operations and prospects. In addition, the controlling relationship between the Banan SAMC and the Group does not necessarily correlate to, or provide any assurance as to the Group's financial conditions.

**The Group has substantial indebtedness and may incur additional indebtedness in the future, which may restrict the Group's business activities and increase the Group's exposure to various operational risks and its ability to generate sufficient cash to satisfy its outstanding and future debt obligations.**

The Group relies on bank loans and proceeds from bond issuances to satisfy a portion of its capital requirements and the Group has a significant amount of outstanding indebtedness. As at 31 December 2021, the Group's total indebtedness (comprising short-term borrowings, non-current liabilities due within one year, other current liabilities (interest-bearing portion), long-term borrowings, bonds payable and long-term payables (interest-bearing portion)) amounted to RMB13,122.6 million, representing 40.0 per cent. of the Group's total assets as at the same date, of which RMB5,110.5 million would become due within 12 months.

Significant indebtedness and external guarantees may pose negative effects on the liquidity and financial condition of the Group in the long run, especially if the guarantees are called after the debtors fail to repay the outstanding debts. If the Group cannot obtain sufficient funding in commercially acceptable terms in the future, it may encounter liquidity distress, which may negatively affect the operations of the Group.

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

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

As the Group relies on bank loans and proceeds from bond issuances to satisfy a portion of its capital requirements, it is subject to relatively high financing cost and repayment pressure of principal and interests. Such financing cost and repayment pressure may continue to increase in the future. If the Group cannot make sufficient profits, such high financing costs and repayment pressure may negatively affect the business, financial condition and results of operations of the Group.

**The Group's business may be affected by natural disasters, epidemics and other acts of God, including the recent COVID-19 pandemic.**

The Group's business is subject to general economic and social conditions in the PRC, which may be adversely affected by natural disasters, epidemics, pandemics and other acts of God which are beyond the Group's control. The occurrences of pandemics and epidemics, such as the recent outbreak of COVID-19 or the past occurrence of Middle East Respiratory Syndrome (MERS), Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, human swine flu (also known as Influenza A or H1N1) or H7N9 avian flu, depending on their scale, have caused and may continue to cause different degrees of damage to the national and local economies in the PRC.

In particular, the recent outbreak of COVID-19 caused delays in the resumption of local business in the PRC after the 2020 Chinese New Year holiday and, as the outbreak extended, several countries introduced new restrictions on travel to and from China. The COVID-19 has spread all over the world and was declared a pandemic on 11 March 2020 by the World Health Organisation. The global outbreak of COVID-19 may further create negative economic impact and increase volatility in the PRC and global market, which can have a material adverse effect on the Group. See also “– *Risks Relating to the PRC – China has experienced a slowdown in its economic development and the future performance of China's economy is uncertain.*”

In addition, the administrative actions taken by local governments in the PRC to control the spread of COVID-19 have caused adverse impact on the businesses of the Group. For example, some of the Group's construction and development projects were temporarily suspended during the pandemic. Moreover, supply of raw materials may be adversely affected due to the temporary shut-down of the operations of the Group's suppliers and the disrupted logistics operations. As a result, the completion of the Group's

projects may be delayed, which might in turn result in substantial increases in the Group's costs for constructing or developing its projects and/or otherwise adversely affect profitability and cash flows of the Group. Furthermore, the Group's operations are highly focused in Chongqing, and any labour shortages, or slowdown in the growth of domestic consumption in Chongqing or the PRC in general could materially and adversely affect the business, results of operations, financial condition and prospects of the Group.

As of the date of this Offering Circular, the COVID-19 pandemic's negative impact on the business operations of the Group is largely contained in China. However, given the high uncertainties associated with the COVID-19 pandemic, regional resurgence of COVID-19 may continue to occur in the future, and it is difficult to predict the extent to which the Group may be affected. Should the Group's operations be disrupted again by any resurgence of COVID-19 and such disruption becomes extended, it may materially and adversely affect the Group's results of operations and financial condition. In addition, any further disruption to the Group's business activities may negatively affect its liquidity and access to capital.

Moreover, the PRC experienced natural disasters such as earthquakes, floods and droughts in the past few years. For example, in May 2008 and April 2010, the PRC experienced earthquakes in Sichuan Province and Qinghai Province, respectively, resulting in the death of tens of thousands of people. In 2010, there were severe droughts in south-western China, resulting in significant economic losses in these areas. Any future occurrence of severe natural disasters in the PRC may adversely affect its economy and in turn the Group's business.

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

The Group's business requires and will continue to require substantial capital expenditure. For the years ended 31 December 2019, 2020 and 2021, the Group made capital expenditures of RMB59.0 million, RMB336.2 million, and RMB830.3 million, respectively. The Group has historically satisfied its capital requirements with cash flows generated from its operating activities, bank loans and other borrowings and equity contributions from its shareholder.

The ability of the Group to generate sufficient operating cash flow is affected by a number of factors, such as the Group's ability to manage and implement its business development plans, changes in general market conditions, the regulatory environment, governmental policies and the competition in the industries in which the Group operates. Any material adverse change in these factors may cause the Group to experience a capital shortage. For the year ended 31 December 2021, the Group experienced net cash outflow from operating activities, of approximately RMB1,603.0 million. There is no assurance whether this will occur again in the future, and whether the Group's operations are or will be able to generate sufficient cash flow to satisfy its cash need at all times, if at all. See also “– *The Group has historically experienced net cash outflow from operating activities*”.

Insufficient cash flow generated from the Group's operating activities will increase the Group's reliance on external financing. As at 31 December 2021, the Group had total credit facilities of approximately RMB9,754.8 million, of which approximately RMB2,740.7 million had not been utilised. The Group's ability to access and raise sufficient capital through different sources depends upon a number of factors, such as the PRC's economic condition, relationships with key commercial banks, prevailing conditions in capital markets, regulatory requirements and the Group's financial condition. Some of these factors are beyond the Group's control and there is no assurance that the Group will be able to raise sufficient funds in a timely manner or to obtain external financing on commercially acceptable terms, or at all. The Group may not be able to fund the capital expenditure necessary to implement its business development plans and strategies, which may in turn have a material and adverse effect on its business, financial condition, results of operations and prospects.

**The Group has historically experienced net cash outflow from operating activities.**

For the year ended 31 December 2021, the Group recorded net cash outflow from operating activities with the amounts of approximately RMB1,603.0 million. The Group's net cash outflow from operating activities was largely attributable to the mismatch in the construction and development projects between the development timetable, which dictates the Group's expenditures, and the time when it receives funds for the relevant projects from the relevant government agencies. There is no assurance whether the Group will not record net cash outflows from operating activities again in the future, and any such cash outflows may have a material and adverse effect on the Group's liquidity, financial condition, results of operations and prospects.

**Most of the Group's businesses are operated in a single geographical region.**

Substantially all of the Group's current and anticipated businesses are operated in Chongqing. Any material region-wide adverse event may negatively impact the demand for projects conducted or services provided by the Group in Chongqing, which would in turn affect the revenue and profitability of the Group. Such adverse events include, but are not limited to, changes in the economic conditions and regulatory environment, changes in the government's urban development plans and policies, any slowdown in the infrastructure construction and real estate sectors, decrease in investor confidence within the region, significant natural disasters and other incidents. Due to the limited geographical coverage of its operations, the Group may not be able to effectively manage any potential losses arising from these region-wide adverse events, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group faces risks associated with contracting with public bodies.**

As an entity engaging in infrastructure construction, land development, relocation housing development, water supply, security services and commercial trading businesses in Chongqing, a substantial part of the Group's business activities are conducted with various governmental authorities and their controlled entities in Chongqing. A large portion of the Group's cash flow is generated from payments by relevant governmental authorities, such as the Chongqing Municipal Government and the Banan SAMC. As such, the Group is exposed to certain inherent risks relating to dealing with public bodies. The local government's ability to meet its payment obligations for the projects that the Group undertakes largely depends on the fiscal revenue of local government, the policies and regulations promulgated by higher level governments or authorities as well as many other factors which are generally beyond the Group's control.

Any failure by relevant governmental authorities to fulfil their contractual obligations or any adverse change to their financial or fiscal conditions or policies may require the Group to change its business plans and could materially affect the Group's business, financial condition and operating results. If there is any material disagreement between the Group and relevant governmental authorities, there is no assurance that the Group will successfully resolve them in a timely manner, or at all. Any dispute or legal proceeding with or against relevant governmental authorities may last for a long period of time and cost considerable financial and managerial resources, which could materially affect the Group's business, financial condition and operating results. Additionally, any of these may severely damage the relationships between the Group and relevant governmental authorities and their controlled entities, which may in turn materially and adversely affect the Group's business and prospects.

**Significant other receivable may affect the Group's liquidity and restrict the Group's business activities.**

As at 31 December 2019, 2020 and 2021, the Group's other receivables amounted to RMB2,150.3 million, RMB1,274.3 million, and RMB3,073.8 million, respectively, representing 8.0 per cent., 4.1 per cent., and 9.4 per cent., respectively, of the Group's total assets. These other receivables are mainly the Group's current accounts with relevant government institutions and state-owned enterprises in Banan District.



There are inherent risks associated with ability and willingness of the Group's counterparties with respect to these other receivables to make timely payments, and their failure to make timely payments could materially and adversely affect the Group's liquidity and in turn affect its business, financial condition or results of operations.

**The Group's operating revenue and results of operations may fluctuate significantly from period to period.**

The Group's operating revenue and results of operations have fluctuated and may continue to fluctuate from period to period as a result of a number of factors, such as general economic conditions, local market conditions and demand, government policies and incentive measures in business areas where the Group operates, adjustment of the Group's primary business activities, the Group's ability to develop and complete projects on time, as well as its accounting policies for revenue recognition. There is no assurance that the Group's operating revenue and results of operations will not fluctuate significantly in the future. The Group's operating revenue and results of operations for any period may not be directly comparable with other periods and therefore the historical performance of the Group may not be a useful indicator of its future performance.

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

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

If the Company or any of its relevant subsidiaries is unable to comply with the restrictive covenants in its current or future debt, a default under such debt may occur. In such event, the creditors may terminate their credit extended to the Company or its subsidiaries, accelerate the outstanding debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing contracts entered into by the Company or its subsidiaries may contain cross-acceleration or cross-default provisions. As a result, a default by the Company or any of its subsidiaries under any of other debt may cause the acceleration of not only the defaulted debt but also those debt containing cross-acceleration or cross-default provisions, including the Bonds, or result in a default under these debts. If any of these events occurs, there is no assurance that the Company or its subsidiaries will be able to obtain the lenders' waiver in a timely manner or at all, or that the assets and cash flow of the Company or its subsidiaries would be sufficient to repay all of their respective debts in full as they become due or accelerated, or that the Company or its subsidiaries would be able to secure alternative financing on terms that are acceptable to the Company or its subsidiaries, or at all.

Furthermore, the Group's borrowings may be secured. Security rights may limit the Group's use of the underlying collateral assets and adversely affect their operational efficiency. If the Group is unable to service its secured debt on a timely basis, the assets provided as security for such secured debt may be subject to foreclosure, which may adversely affect the Group's business, prospects and financial conditions.



**The Group is exposed to risks in relation to the significant amount of inventories it maintains.**

As at 31 December 2019, 2020 and 2021 the Group's inventories amounted to RMB11,954.8 million, RMB12,479.1 million, and RMB12,780.0 million, respectively, representing 44.4 per cent., 40.1 per cent., and 38.9 per cent. of the Group's total assets, respectively. The Group's inventories comprise primarily of development costs and infrastructure construction projects. Any decrease in the market demand and the corresponding drop in the sales of properties and projects that the Group developed or the services that the Group provided could cause the Group's inventories to accumulate and depreciate in value, which may adversely affect the Group's businesses, financial condition, results of operations and prospects. In addition, costs for on-going infrastructure construction projects, which are recognised as inventories on the Group's consolidated balance sheet are illiquid assets and might not be sold for cash in an efficient manner. This may limit the Group's ability to respond to changing economic, financial and investment conditions. The Group's ability to sell these inventories to a large extent relies on the market demand for the properties and projects it develops. These factors may in turn be affected by the controlling measures of the PRC Government on urban development and real property investment and the PRC Government's macroeconomic and monetary policies, which are beyond the Group's control. Any failure to effectively manage the Group's inventory level will have a material impact on the Group's cash flow and adversely affect its ability to carry on ordinary business activities and to serve its outstanding debt, such as the Bonds, which in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group operates its businesses through a number of subsidiaries, and this business structure exposes the Group to challenges not faced by companies with a single or small number of businesses.**

The Company has a number of subsidiaries operating in different industries. Through these subsidiaries, the Group engages in infrastructure construction, land development, relocation housing development, water supply, security services and commercial trading businesses. As such, the Group is exposed to risks associated with conducting multiple businesses and operating through a large number of subsidiaries.

For example, the Group is exposed to business, market and regulatory risks relating to different industries and markets, and may from time to time expand its businesses to new industries and markets in which it has limited operating experience. It needs to devote substantial resources to become familiar with, and monitor changes in, different operating environments so that it can succeed in its businesses. Furthermore, given the Company's reliance on its subsidiaries, it is critical to ensure that the Company's subsidiaries have sufficient working capital for their operations. The capital contributions by the Company or other members of the Group to some major subsidiaries of the Company may be made in non-cash forms, such as land use rights, intellectual properties and equipment, the fair value of which might not have been accurately assessed or were even overpriced at the time such capital contribution was made. This may result in such subsidiaries receiving assets that worth less than their registered capital, and as a result adversely and materially affect the ability of such subsidiaries to carry out business operations or to meet their obligations under financing agreements.

In addition, successful operation of the Company's subsidiaries requires an effective management system. As the Group continues to grow and expand into various industries, the Group's operations may become more complex, which would increase the difficulty of implementing its management system.

The Company provides direct funding, guarantees and other support to certain of its subsidiaries. If the Company's subsidiary defaults on any borrowings lent or guaranteed by the Company, the Company will not receive the repayment as planned or the relevant lender may exercise its right under the guarantee to demand repayment from the Company. The occurrence of either of these events may result in a funding

shortage at the Company level and may materially and adversely affect the Company's ability to provide financial support to its other subsidiaries. If the Company's financial or non-financial support ceases or diminishes for any reason, the operations of the relevant subsidiaries may be materially and adversely affected, which in turn may have a material and adverse impact on the Group's business, financial condition and results of operations.

**The Group's business operations are subject to extensive regulation at various levels of government, and any failure to comply with applicable laws, rules and regulations, including obtaining any necessary qualifications, permits or approvals for its operations may adversely affect the Group.**

Certain business activities of the Group, such as infrastructure construction, land development and relocation housing development are extensively regulated in the PRC. The operation of these business activities requires a number of approvals, licences and permits from different governmental authorities. It may take considerable time and resources to obtain and maintain all of these approvals and certificates. Governmental authorities in the PRC have broad discretion in implementing and enforcing applicable laws and regulations and in granting the approvals, licences, permits and certificates necessary for the Group to conduct its business. Failure to obtain in a timely manner or maintain the necessary approvals, licences or permits could result in delay or suspension of the Group's business operations, and may subject the relevant members of the Group to regulatory or administrative penalties.

In addition, the PRC governmental authorities may amend existing regulations or promulgate new regulations from time to time. The Group may encounter problems in obtaining, maintaining or renewing the permits, licences, certificates and government authorisations necessary to conduct its business and may be unable to comply with new laws, regulations or policies. In addition, to ensure the restrictions and conditions of relevant business permits, licences and certificates are fulfilled, governmental authorities also conduct regular and special inspections, investigations and inquiries. If any significant non-compliance is found by the governmental authorities during such investigations or inquiries, the Group's permits, licences and certificates may be suspended or revoked, and the Group may become subject to fines or other forms of penalties, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group has substantial indebtedness outstanding. As at 31 December 2021, the Group's total indebtedness (comprising short-term borrowings, non-current liabilities due within one year, other current liabilities (interest-bearing portion), long-term borrowings, bonds payable and long-term payables (interest-bearing portion)) amounted to RMB13,122.6 million, representing 40.0 per cent. of the Group's total assets as at the same date, of which RMB5,110.5 million would become due within 12 months. The PRC government has historically adjusted interest rates from time to time as implementation of the PRC government's economic and monetary policies. Starting August 2019, the National Interbank Funding Center (全國銀行間同業拆借中心) is authorised by PBOC to publish loan prime rates (the "LPR") on a monthly basis based on the prime rate offered by a panel of commercial banks, and Chinese banks are required to use the LPR as the reference rate for the pricing of its loans extended after 1 January 2020. As of the date of this Offering Circular, most of the Group's bank borrowings bear interest at floating interest rates linked to the LPR. Any material fluctuation in the LPR may have a material impact on the Group's interest expenses under its bank loans and debt securities issued and in turn affect its results of operations. Although the Group's business and financial condition may benefit from the currently low prevailing interest rates in the market, there is no assurance that this low-interest environment will continue.

**The Group is currently relying on operating revenue from its infrastructure construction business.**

Infrastructure construction business currently is a primary revenue source for the Group. For the years ended 31 December 2019, 2020 and 2021, operating revenue generated from the Group's infrastructure construction business was RMB867.2 million, RMB39.2 million and RMB1,110.9 million, respectively, representing 43.7 per cent., 1.3 per cent. and 43.0 per cent., respectively, of the Group's total operating revenue for the same periods. For details on the Group's infrastructure construction business, please see *"Description of the Issuer Group – Description of the Group's Business – Infrastructure Construction"*. There are a number of construction, financing, operating and other risks associated with the infrastructure construction businesses of the Group. Projects that the Group undertakes typically require substantial capital expenditures during the construction or development phase and can take a substantial period of time to complete. The time taken and the costs involved in completing these projects can be adversely affected by many factors, including shortages of materials, equipment and labour costs, adverse weather conditions, natural disasters, terrorism, labour disputes, disputes with sub-contractors, accidents, changes in governmental priorities and other unforeseen circumstances, many of which are out of the Group's control. There is no guarantee that the infrastructure construction business will maintain sustainable growth. Any of these risks associated with the infrastructure construction business could give rise to delays in the completion of the Group's projects and may result in liabilities, reduced efficiency and lower financial returns, which may in turn materially and adversely affect the Group's business, financial conditions and results of operations.

**The Group may not successfully expand its businesses and implement its growth strategies.**

The Group may from time to time expand its businesses to new industries or markets in which it has limited operating experience. Such expansion may require the Group to devote substantial resources to become familiar with, and monitor changes in, different operating environments so that it may succeed in such new business. The Group's ability to successfully grow its new business and implement its expansion strategy depends on a variety of factors, including its ability to identify attractive projects, obtain required approvals from relevant regulatory authorities, obtain sufficient capital on acceptable terms in a timely manner and maintain working relationships with various governmental authorities and agencies, some of which may be out of the Group's control. There is no assurance that the Group will be able to successfully grow its businesses, implement its expansion strategies, manage or integrate any newly-acquired operations with the Group's existing operations. Failure by the Group to grow new businesses or implement its expansion strategies could have a material adverse effect on its business, financial condition, results of operations and prospects.

**Fluctuations in the price of construction materials could adversely affect the Group's business and financial performance.**

The cost of construction materials, such as steel and cement, constitutes a significant portion of the Group's costs for its infrastructure construction business. Construction material costs have fluctuated significantly, and may fluctuate significantly in the future. Any increase in the cost of construction materials may result in an increase in the costs for the Group's infrastructure construction business, which may pose an adverse effect on the financial performance of the Group.

**Delays or defaults in payments to the Group may affect its working capital and cash flow.**

The payments for the Group's infrastructure construction projects are usually made in instalments over a period of time after projects are completed. However, the Group incurs costs, such as labour costs, from the beginning of the project and before achieving any milestones warranting payment from its customers,

and thus bears the risk of pre-paying costs and expenditures for each project it constructs. As such, any delay or default in the payments to the Group may increase the Group's liquidity pressure, which will in turn increase its financial vulnerability and adversely affect its financial condition and results of operations. As at the date of this Offering Circular, the Group has not experienced any significant delay in payments by local governments in accordance with the agreed payment terms in relation to the infrastructure construction business. However, there is no assurance that all payments will continue to be made in a timely manner, or that no events of default will occur in the future.

**The Group may be adversely affected by the performance of third-party contractors.**

The Group engages third-party contractors in its operating activities, such as infrastructure construction business, land development business and relocation housing development business. The Group generally selects independent contractors through public bidding and tendering processes. However, there is no assurance that the services rendered by any of the contractors selected by the Group or subcontractors selected by the Group's contractors will always be satisfactory or meet the Group's quality and safety standards. If the performance of any contractor or subcontractor is not satisfactory or does not meet the Group's quality and safety standards, the Group may need to replace such contractor or take other actions to remedy the situation, which could adversely affect the cost and progress of its projects. In addition, the Group may be requested on short notice to undertake additional construction or development projects, and there may be a shortage of contractors that meet the Group's quality requirements under such short notices. Contractors may also undertake projects for other companies and developers, engage in risky or unsound practices or encounter financial or other difficulties, which may affect their ability to complete their work for the Group on time and budget. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group's land development business and relocation housing development business may be dependent on the performance of the property market.**

The Group develops and leases or sells commercial properties in Chongqing. The Group's land development and relocation housing development business may be dependent on the performance of the property market in the PRC, in Chongqing in particular. The property market in the PRC and in Chongqing may be affected by local, regional, national and global factors, including economic and financial condition, speculative activities in local markets, demand for and supply of properties, investor confidence, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital. In particular, the PRC property market has been affected by the recent slowdown in China's economic growth. There have been increasing concerns over the sustainability of the real estate market growth in the PRC. Factors such as decrease in available funds and investor confidence may influence demand for the properties the Group developed. Any downturn in the property market in the PRC generally or in Chongqing may materially and adversely affect the Group's business, financial condition and results of operations. See also "*Risk Factors – Risks relating to the Group's Business – The Group's operating revenue and results of operations may fluctuate significantly from period to period*".

The PRC government has in recent years promulgated various control measures aimed at cooling the property sector and may adopt further measures to regulate this sector. See also "*– The PRC Government may adopt measures aimed at slowing down growth in the real estate sector*". There can be no assurance that such measures will not have a negative impact on the Group's business or that the demand for new properties in regions where the Group has or will have operations will continue to grow in the future or that there will not be over-development or market downturn in the PRC property sector.

**The Group is exposed to pre-sale related contractual and legal risks and changes in pre-sale related regulations may adversely affect the Group's financial performance.**

The Group sells a portion of the property it develops through pre-sale contracts, in which it makes undertakings regarding timely completion and delivery of the property. These pre-sale contracts and PRC laws and regulations provide for remedies with respect to any breach of such undertakings. For example, if the Group pre-sells a property project and the Group fails to complete that property project, it will be liable to the purchasers for their losses. Should the Group fail to complete a pre-sold property project on time, the Group's purchasers may seek compensation for late delivery pursuant to either their contracts with the Group or PRC laws and regulations. If the Group's delay extends beyond a specified period, purchasers may terminate the pre-sale contracts and claim compensation. There is no assurance that the Group will not experience delays in completion and delivery of the Group's projects, which may have a material adverse effect on the Group's business, financial condition and results of operations.

Under current PRC laws and regulations, property developers must fulfil certain conditions before they can commence pre-sale of the relevant properties and may only use pre-sale proceeds to finance the development of such properties. In August 2005, PBOC in a report entitled "2004 Real Estate Financing Report" recommended to discontinue the practice of pre-selling unfinished properties because such practices, in PBOC's opinion, create significant market risks and generate transactional irregularities. In July 2007, an economic research group under the NDRC recommended the abolishment of the pre-sale system. These recommendations have not been adopted by any PRC governmental authority and have no mandatory effect. Recently, certain developers have commenced the practice of trial sale of completed residential properties. There is no assurance that the PRC governmental authority will not ban the practice of pre-selling residential properties prior to completion or implement further restrictions on the pre-sale of such properties, such as imposing additional conditions for a pre-sale permit or further restrictions on the use of pre-sale proceeds. Consequently, any restriction on the Group's ability to presell its properties, including any increase in the amount of up-front expenditure the Group must incur prior to obtaining the pre-sale permit, would extend the time period required for recovery of the Group's capital outlay and would require that the Group seek alternative means to finance the various stages of its property developments. This, in turn, could have an adverse effect on the Group's business, cash flow, results of operations and financial condition.

**The Group may face delays and cost overruns with the construction projects, which may adversely affect its results of operations.**

There are a number of risks associated with the Group's infrastructure construction or relocation housing development projects with respect to their construction, financing and/or operation. The Group's construction projects typically require substantial capital expenditures during the construction or development phase and can take a substantial period of time to complete. The time taken and the costs involved in completing these projects can be adversely affected by many factors, including shortages of materials, equipment and labour costs, adverse weather conditions, natural disasters, terrorism, labour disputes, disputes with sub-contractors, accidents, changes in governmental priorities and other unforeseen circumstances, many of which are out of the Group's control. Any of these could give rise to delays in the completion of the Group's projects. The Group's cost to complete its projects is also affected by changes in the price of labour and raw materials, which is often beyond the Group's control. In addition, the Group may also be required to take extra precautionary safety and health measures, such as those required by the PRC Government to contain the COVID-19 outbreak, and thus incur additional cost for the construction and development of its projects. Under such circumstances, the Group may be required to make additional investment, incur additional expenditures, or experience liabilities, reduced efficiency and lower financial returns, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.



### **The PRC Government may adopt measures aimed at slowing down growth in the real estate sector.**

Since 2005, the PRC Government has from time to time introduced various measures to curtail real estate speculation in response to concerns over, among other things, the increases in property investments and real estate price and the overheating of the real estate market. For example, according to the Notice of the General Office of the State Council on Issues Relating to Further Improving the Control of the Real Estate Market (國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知) dated 26 January 2011, the Notice of the General Office of the State Council on Further Improving the Regulation and Control of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知) dated 26 February 2013, the Notice on Improving the Regulation and Management of the Real Estate Market and Further Improving the Prevention and Disposal of Illegal Fund-raising in the Real Estate Area (關於加強房地產市場監管進一步做好防範和處置房地產領域非法集資工作的通知) dated 28 March 2016 and the Notice of the Ministry of Housing and Urban-Rural Development on Issues Relating to Further Improving the Regulation and Control over the Real Estate Market (住房城鄉建設部關於進一步做好房地產市場調控工作有關問題的通知) dated 19 May 2018, the PRC Government firmly restrained speculative demands and strengthened market supervision to better control the overheating of the PRC real estate development market. Such measures may limit property developers' access to capital resources, reduce market demand for their properties and increase their operating costs in complying with these measures. There is no assurance that the PRC Government will not adopt additional and more stringent measures to further dampen the growth of the real estate sector, which could slow down real estate development in the PRC. This may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### **The Group's relocation housing development business is subject to claims under statutory quality warranties.**

Under the Regulations on Administration of Development and Operation of Urban Real Estate (城市房地產開發經營管理條例) promulgated by the State Council on 20 July 1998 and further amended on 8 January 2011, 19 March 2018, 24 March 2019, 27 March 2020 and 29 November 2020, and Regulations for the Administration of Sale of Commodity Building (商品房銷售管理辦法) promulgated on 4 April 2001 and became effective on 1 June 2001, all real estate developers in the PRC must provide certain quality warranties for the properties they sell. The Group is required to provide these warranties to the purchasers of the properties it develops and sells. Generally, the Group receives quality warranties from its third-party contractors with respect to its relocation housing development projects. If a significant number of claims were brought against the Group under its warranties and if the Group is unable to obtain compensation for such claims from third-party contractors in a timely manner or at all, the Group could incur significant expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm its reputation, and materially adversely affect its relocation housing development business and related financial condition and results of operations.

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

The Group relies on its quality control systems to ensure the safety and quality of its projects. Therefore, it needs to maintain an effective quality control system. The effectiveness of the Group's quality control system depends significantly on a number of factors, including a timely update of the quality control system to suit the ever-changing business needs, the availability of related training programmes as well as its ability to ensure that the Group's and the contractors' employees adhere to its quality control policies and guidelines. There is no assurance that the quality of the Group's projects will always meet the required standard. Any failure or deterioration of the Group's quality control systems could result in defects in its projects, which in turn may subject the Group to contractual, product liability and other claims. Any such claims, regardless of whether they have any merit, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. Furthermore, if any of such



claims are ultimately successful, the Group could be required to pay substantial monetary damages or penalties. Although the Group believes that its quality control systems have functioned properly, there is no assurance that failures in its quality control systems will not occur in the future, and any such failure could have an adverse effect on the Group's business and operations.

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

Under applicable PRC laws and regulations, if the Group does not commence development for more than one year after the date specified in the relevant land use rights grant contract, or the Group commences development on an area which is less than one-third of the area granted, or the capital invested in the development is less than one-fourth of the total investment approved for the development and the development is suspended for more than one year without governmental approval, the PRC Government may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees. The PRC Government may revoke the land use rights certificate without compensation if the Group does not commence development for more than two years after the date specified in the relevant land use rights grant contract without compelling causes. The State Council issued the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) which states, among other things, that the Ministry of Land and Resources of the PRC ("MLR") and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, MLR issued the Notice on Restricting the Administration of Construction Land and Promoting the Utilisation of Approved Land (國土資源部關於嚴格建設用地管理促進批而未用土地利用的通知) on 11 August 2009 which reiterates its policy on idle land. Idle Land Disposal Measures (閒置土地處置辦法) became effective on 28 April 1999 and was amended on 1 July 2012, providing the procedures for disposal of idle land. Any fines or penalties imposed, or any cancellation of land use rights with respect to idle lands may materially and adversely affect the Group's business, financial condition and results of operations. As at 31 December 2021, the Group did not possess any land for which it had not commenced development within the time stipulated in the relevant land use rights grant contracts. However, the Group may have idle land issue in the future and the imposition of fines and penalties in relation to any idle land could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

**Property management service is highly labour intensive and the Group relies on a stable supply of labour to provide its service; however, overestimation of the necessary manpower for new contracts may also adversely affect the Group's business, results of operations and financial condition.**

The Group's property management business operation is labour intensive and it relies heavily on human resources for providing property management services. The Group cannot ensure that there will be a stable supply of labour in the future. If there is a shortage of labour in the property management services industry, particularly of personnel with specialised qualifications, the Group's business operations may be negatively affected. In addition, the Group's property management services contracts are mainly provided under fixed-term contracts. Therefore, if the Group is unable to retain existing employees and/or recruit sufficient employees to meet the demands of its existing contracts at the current wage level, the Group may have to pay a premium to attract employees. If the Group experiences any labour shortage, it may be unable to deliver satisfactory services to its clients or otherwise meet its contractual obligations, or it may face penalties for such shortage. Furthermore, certain business conducted by the Group may require the employees with requisite qualifications or experience, and if the Group cannot recruit such employees in a timely manner, it may be unable to enter into new contracts with prospective or existing clients and/or deliver satisfactory services to them due to insufficient manpower. In such cases, the Group's business, financial condition and results of operations may be adversely affected.

However, an overestimation of the necessary manpower for new contracts may also adversely affect the Group's business, results of operations and financial condition. The Group may not be able to estimate the manpower necessary for new contracts accurately. If there is a significant overestimation, the Group may have to incur substantial cost to terminate the employment with the redundant staff, which could have a material adverse effect on the Group's business, results of operations and financial condition. Even if the Group terminates employment in accordance with the employment contracts and all relevant laws and regulations, such termination may still expose the Group to negative media coverage, where, as a result, the relationships with the Group's clients may be adversely affected and it may fail to secure future contracts. Any such negative media coverage may have a material adverse effect on the Group's reputation, business, financial position and results of operations.

**The Group is exposed to risks in relation to work safety and occurrences of accidents.**

There are inherent risks of work injuries or accidents occurring in the course of the Group's business operations due to the nature of the services being performed, particularly in the provision of infrastructure construction services and property management services, as the Group's employees may be required to work in dangerous environments. The Group's employees may be required to undertake certain tasks including, but not limited to the following: (i) working at height or on slippery surfaces or in the dark; (ii) operation of electrical appliances in undertaking minor maintenance works; (iii) lifting heavy objects; (iv) working in new and unfamiliar environments; (v) defending and protecting individuals against aggressors; (vi) handling disputes amongst residents or tenants in the properties and parking lots the Group manages and/or operates; and (vii) maintaining order in crowded events.

The Group's involvement in major accidents or incidents in the course of its operations, particularly if reported by the media, may adversely affect the Group's reputation and its client's perception of the quality of its services. The Group cannot ensure that any incidents or accidents, which could result in property damage, personal injury or even death to the third parties including residents and aggressors, property owners or the Group's employees, will not occur again in the future. Accidents resulting in personal injury or loss or damage to property may also arise if the Group's employees fail to follow its work safety measures and procedures. However, accidents may occur in the ordinary course of the Group's business. The Group cannot ensure that its employees will fully comply with the safety measures and plans it implements during their execution of the above tasks or any other tasks. In such events, the Group may be held liable for the losses or be subject to prosecution. The Group may also be exposed to claims of negligent or reckless behaviour on the part of its employees. The Group may also experience interruptions to its business operations and may be required by government authorities to change the manner in which it operates following any incidents or accidents. Any of the foregoing could materially and adversely affect the Group's reputation, business, financial position and results of operations.

**The Group's commercial trading businesses are exposed to declines in the current and expected volumes of products' supply or demand, product prices and supply chain conditions.**

The main products traded by the Group are rice, flour and edible oil. The current and expected volumes of products' supply and demand which the Group has traded vary over time based on changes in demand in end markets that the products are consumed, government policies and regulation, costs of production, fluctuations in regional production capacity, regional weather conditions and natural disasters. Furthermore, changes in current and expected supply and demand conditions impact the current and expected future prices (and thus the price curve) of each product. Declines in the price of products or increase of volume of products in the market could materially adversely impact the Group's business, results of operations and earnings in its commercial trading business. In addition, the occurrences of pandemics and epidemics, especially the recent outbreak of COVID-19 may have a material adverse effect

on the Group's business, results of operations or earnings. See also "*Risks Relating to the Group's Business – The Group's business may be affected by natural disasters, epidemics and other acts of God, including the recent COVID-19 pandemic*". For example, the possible mandatory lockdowns in PRC due to increased cases of COVID-19, particularly in economic or transportation hubs, or locally in Chongqing, could lead to the insolvency of key suppliers, particularly those with whom the Group has long-term supply or off-take contracts, also could result in supply chain difficulties and/or unmatched product price exposures and/or a reduction in products available for the Group; and although most products' fixed pricing periods are relatively short, a significant reduction or increase in products prices could result in customers or suppliers, as the case may be, being unwilling or unable to honour their contractual commitments to purchase or sell products on pre-agreed pricing terms.

**The success of the Group's commercial trading business depends in part on its ability to identify, access and take advantage of arbitrage opportunities.**

The pricing discrepancies of the products traded generally arise in respect of the prices at which such products can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities. The Group's profitability is, in large part, dependent on its ability to identify and exploit such arbitrage opportunities. A lack of such opportunities, for example due to a prolonged period of pricing stability in a particular market, or an inability to take advantage of such opportunities when they present themselves, because of, for example, government policies and price control imposed on the products traded, a shortage of liquidity or an inability to access required logistics assets or other operational constraints, could adversely impact the Group's business, results of operations and financial condition in its commercial trading business.

**Labour shortages, labour disputes or increases in labour costs of any third-party contractors engaged for the Group's projects as well as implementation of PRC employment regulations could materially and adversely affect the Group's business, financial condition, results of operations and prospects.**

Many of the Group's businesses are labour intensive. The Group also relies on third-party contractors to carry out infrastructure construction, land development, commercial complex operation, relocation housing development and other business operations. Increasing awareness of labour protection as well as increasing minimum wages is likely to increase the labour costs of PRC enterprises in general, including the Group or the contractors participating in the Group's projects.

The PRC Labour Contract Law (中華人民共和國勞動合同法) became effective on 1 January 2008 and was amended on 28 December 2012. It imposes more stringent requirements on employers in relation to entry into fixed-term employment contracts and dismissal of employees. Pursuant to the PRC Labour Contract Law, the employer is required to make compensation payment to a fixed-term contract employee when the term of their employment contract expires, unless the employee does not agree to renew the contract even though the conditions offered by the employer for renewal are the same as or better than those stipulated in the current employment contract. In general, the amount of compensation payment is equal to the average monthly wage of the employee 12 months before the termination of the employment contract multiplied by the number of full years that the employee has worked for the employer. A minimum wage requirement has also been incorporated into the PRC Labour Contract Law.

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

In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid annual leave ranging from five to fifteen days, depending on the length of the employees' working experience. Employees who consent to waive such vacation at the request of employers shall be compensated an amount equal to three times their normal daily salaries for each vacation day being waived.

Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees' employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non-fixed-term employment contracts under the PRC Labour Contract Law without cause. In the event the Group decides to significantly change or decrease the Group's workforce, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires.

As such, labour shortages, labour disputes or increases in labour costs of the Group or third-party contractors could directly or indirectly prevent or hinder the construction progress, and, if not resolved in a timely manner, could lead to delays in completing the Group's projects which could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Under applicable PRC laws, regulations and rules, including the Social Insurance Law (社會保險法), promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on 28 October 2010, which became effective on 1 July 2011, and amended on 29 December 2018 and became effective on the same day, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), promulgated by the State Council on 22 January 1999, which became effective on 22 January 1999, and amended on 24 March 2019 and became effective on the same day, and Administrative Regulations on the Housing Provident Fund (住房公積金管理條例), promulgated by the State Council on 3 April 1999, which became effective on 3 April 1999 and as amended on 24 March 2002 and on 24 March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the outstanding amount within a stipulated time period.

**The insurance coverage of the Group may not adequately protect it against all operational risks or any potential liabilities or losses.**

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

- operating limitations imposed by environmental or other regulatory requirements;
- defective quality of the properties it develops;
- work-related personal injuries;
- on-site production accidents;
- construction interruptions caused by operational errors, electricity outages, raw material shortages, equipment failure and other production risks;
- credit risks relating to the performance of customers or other contractual third parties;

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

The Group maintains limited insurance policies, but usually requires contractors for its construction projects to maintain the insurance coverage for the projects, which the Group believes to be consistent with the industry and business practice in the PRC. However, some of the above-mentioned operational risks may not be covered by the insurance policies maintained by the contractors of the Group, and, even if covered, claims under these insurance policies may not be honoured fully or on time, or the insurance coverage may not be sufficient to cover the costs incurred in the Group's operations related to the above-mentioned operational risks. There are also certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability) that generally are not insured because they are either uninsurable by nature or not economically insurable. To the extent that the Group suffers loss or damage that is not covered by insurance or exceeds the limit of the insurance coverage, the Group's results of operations and cash flow may be materially and adversely affected.

**The Group is subject to various environmental, safety and health regulations in the PRC and any failure to comply with such regulations may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of its licences or permits.**

The Group is required to comply with extensive environmental, safety and health regulations in the PRC. Failure to comply with such regulations may result in delay of the Group's business operations, or fines or suspension or revocation of the Group's licences or permits to conduct its business. For example, the Group is required to obtain a project approval and environmental assessment approval at the outset of a project before it can receive the Construction Land Planning Permit (建設用地規劃許可證), the Construction Project Planning Permit (建設工程規劃許可證) and the Construction Permit (建築工程施工許可證). Given the volume and complexity of these regulations, compliance may be difficult or involve significant financial and other resources to establish efficient compliance and monitoring systems. There is no assurance that the Group will be able to comply with all applicable requirements or obtain these approvals and permits on a timely basis, if at all. As at the date of this Offering Circular, the Group has not experienced any significant non-compliance with applicable safety regulations or requirements. In addition, PRC laws and regulations are constantly evolving and are currently moving towards the adoption and enforcement of more stringent environmental standards. It is possible that the PRC Government will impose additional or even stricter laws or regulations in the future, which may increase compliance costs of the Group. Any failure to comply with the current or future environmental, safety and health regulations may materially and adversely affect the Group's business, financial condition and results of operations.

**The relocation of incumbent residents and local businesses on the sites where the Group's projects are located may result in delays in its development and/or increase its development costs.**

Certain of the Group's businesses, such as infrastructure construction, land development, commercial complex operation and relocation housing development business, may from time to time involve relocation of incumbent residents and local businesses when it develops projects. The Group develops and provides substitute properties in some cases to relocated residents as compensation for their resettlement. If any incumbent resident or business is dissatisfied with the relocation compensation and refuses to be relocated,

the relevant entity of the local governments will seek to resolve the dispute by negotiating with the relevant resident or business to reach a mutually acceptable relocation compensation arrangement, or apply to the relevant land authority for its determination on whether the relocation compensation and relocation timetable is compliant with PRC law. The relevant land authority will then make a decision as to the proper relocation compensation and timetable. There can be no assurance that the relocation of incumbent residents or businesses will proceed smoothly or that they will agree to the compensation. In addition, the amount of compensation to be paid is subject to PRC governmental regulation and can be changed at any time. Accordingly, any delays in effecting such relocations of these incumbent residents or businesses may result in delays in the Group's development schedules and/or increase its development costs, any of which could have a material adverse effect on its business, financial condition and results of operations.

**The Group's success depends on the continuing service of its management team and qualified employees and any failure to attract and retain competent personnel may adversely affect the Group's business.**

The success of the Group's business has been, and will continue to be, heavily dependent upon the continuing service of the Company's directors and senior management. If the Company loses the services of any of its key executives and cannot replace them in a timely manner, the Group's business may be materially and adversely affected.

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

**The Group may not effectively implement risk management and internal control policies and procedures to manage its financial risks.**

Financial risks are inherent in the Group's businesses. Although policies and procedures are in place to identify and report on a timely basis the liquidity, interest rate and credit risks arising from the activities of its businesses, there is no assurance that these systems and procedures will prevent any loss that affects the Group's financial conditions. In addition, many of the Group's current financial risk management systems have a significant manual component. There are additional risks inherent in any manual risk management system, including human error. The reliability of the Group's risk management systems and the information generated therefrom depends on, inter alia, the configuration and design of the systems, the built-in system control features and the internal control measures surrounding them. Any failure of internal control could have a material adverse effect on the Group's businesses, results of operations and financial conditions.



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

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

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

The Group is required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in China and other relevant jurisdictions. China's anti-money laundering law requires financial institutions to establish sound internal control policies and procedures with respect to antimoney laundering monitoring and reporting activities. Such policies and procedures require the Group, in particular, the subsidiaries and associated companies in its financial services segment to, among other things, establish a customer identification system in accordance with the relevant rules, record the details of customer activities and report suspicious transactions to the relevant authorities.

The Group's internal control procedures are designed to monitor its operations but may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner, if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result and have a material adverse effect on its reputation and business.

**The Group may be involved in disputes, legal and other proceedings arising out of its operations from time to time and may face significant liabilities as a result.**

The Group may from time to time be involved in disputes with various parties involved in its business, including contractors, tenants, suppliers and purchasers. Such disputes may lead to legal or other proceedings and they may damage the Group's reputation, increase the Group's costs of operations and divert the Group's management's attention from daily business operations. In addition, where regulatory bodies or governmental authorities disagree with the Group's conduct in respect of its operations, the Group may be subject to administrative proceedings and unfavourable decrees that could result in liabilities and delays to its projects. There is no assurance that the Group will not be so involved in any major legal or other proceedings in the future, which may subject the Group to significant liabilities and materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

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

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

The Issuer from time to time issues bonds in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Issuer needs to publish its semi-annual and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds and short-term commercial paper. After the Bonds are issued, the Issuer is obligated by the terms of the Bonds, among others, to provide holders of the Bonds with its audited financial statements and certain unaudited but reviewed periodical financial statements. The semi-annual financial information published by the Group in the PRC is normally derived from the Group's management accounts which have not been audited or reviewed by independent auditors. As such, this financial information published in the PRC should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited information. The Issuer is not responsible to holders of the Bonds for the unaudited and unreviewed financial information from time to time published in the PRC and therefore Investors should not place any reliance on any such financial information.

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

The Group's consolidated financial statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. See also "*Summary of*

*Certain Differences between PRC GAAP and IFRS”* for details. Each investor should consult its own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

In addition, the Group’s current independent auditor is a registered member of the Chinese Institute of Certified Public Accountants. Although the Group’s auditor has significant audit experience in the PRC, it has limited international capital markets experience. Prospective investors should consider this factor prior to making any investment decision.

**The former and current independent auditors of the Group, Asia Pacific (Group) CPAs (Special General Partnership) and Zhongshenzhonghuan have previously been investigated, censured or penalised by relevant regulatory authorities.**

Asia Pacific (Group) CPAs (Special General Partnership) (the “APC”) and Zhongshenzhonghuan, the former and current independent auditors of the Group, are registered accounting firms in the PRC supervised by the relevant PRC regulatory authorities. APC and Zhongshenzhonghuan, together with their auditors, have, over the years, been investigated, censured or penalised by relevant regulatory authorities in relation to its audit work for companies unrelated to the Group. Such penalties and warnings include but are not limited to the followings: in December 2021, CSRC imposed an administrative penalty on APC and two auditors of APC; in March 2022, CSRC Shandong office issued a warning letter against APC and two auditors of APC; in April 2022, CSRC Guangdong office a warning letter against APC and two auditors of APC; in December 2021, CSRC Shanghai office issued a warning letter against Zhongshenzhonghuan and two auditors of Zhongshenzhonghuan; in December 2021, CSRC Jiangsu office issued a warning letter against Zhongshenzhonghuan and two auditors of Zhongshenzhonghuan; and in January 2022, CSRC Sichuan office issued a warning letter against Zhongshenzhonghuan and two auditors of Zhongshenzhonghuan. Those administrative actions on APC, Zhongshenzhonghuan and specific accounting personnel involved in the relevant audit work, mainly focus on the appropriateness of the implementation of auditing standards, non-compliance with certain auditing and disclosure guidelines, the adequacy of professional skepticism in the auditing procedures, and the reasonableness of the judgement made by the auditors.

As confirmed by APC and Zhongshenzhonghuan, the companies involved in relevant administrative and regulatory actions were all unrelated to the Group and the audit work performed for the Group is not affected by such administrative and regulatory actions and the audit reports included elsewhere in this Offering Circular remain valid and effective. APC and Zhongshenzhonghuan also confirmed that their ability to provide comfort letters and the qualification of the auditors involved in respect of this issue of the Bonds are not affected by such administrative and regulatory actions. However, there can be no assurance that the relevant PRC regulatory agencies would not carry out any review of APC’s or Zhongshenzhonghuan’s past audit or other assurance work in relation to other companies or even in relation to the Group. There can be no assurance that there will not be prolonged or broadened investigations conducted by the CSRC and/or the MOF against APC or Zhongshenzhonghuan, nor can there be any assurance that further negative news about APC and Zhongshenzhonghuan would not have a material and adverse effect on the Group.

**Public corporate disclosure about the Company may be limited.**

As the Company’s equity securities are not listed on any stock exchange, there may be less information about it publicly available than is regularly made available by listed companies.

## **RISKS ASSOCIATED WITH THE PRC**

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

The economy of the PRC experienced rapid growth in the past 40 years. There has been a slowdown in the growth of the PRC's GDP since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, the annual growth rate of China's GDP in 2019 slowed down to 6.1 per cent. on a year-on-year basis compared to 6.6 per cent. in 2018, and it further decreased to 2.3 per cent. in 2020 on a year-on-year basis. In March 2016, Moody's and S&P changed China's credit rating outlook to "negative" from "stable", which highlighted the country's surging debt burden and questioned the government's ability to enact reforms. On 24 May 2017, Moody's downgraded China's long-term local currency and foreign currency issuer ratings to A1 from Aa3 and changed the outlook to stable from negative. On 21 September 2017, S&P's rating services downgraded China's credit rating by one notch from AA- to A+. These highlight the country's surging debt burden and questioned the government's ability to enact reforms.

The future performance of the PRC's economy is not only affected by the economic and monetary policies of the PRC Government, but it is also exposed to material changes in global economic and political environments as well as the performance of certain major developed economies in the world. For example, the international trade environment and various governments' trade and economic policies, particularly the recent trade conflicts between the PRC and the United States, may cause uncertainties to the PRC's economy and financial, foreign exchange and capital markets. For example, the military conflict between Russia and Ukraine has resulted in an escalated regional instability, amplified the existing geopolitical tension among Russia and other countries in the region and in the west, as well as adversely affected commodity and other financial markets or economic conditions. As a result, the United States, the United Kingdom, the member states of the European Union and other public and private actors have levied severe sanctions on Russia. The geopolitical and macroeconomic consequences of this military conflict and the associated sanctions cannot be predicted, and such events, or any further hostilities in Ukraine or elsewhere, could severely impact the world economy. In addition, the United Kingdom's exit from the European Union took place on 31 January 2020, in which the United Kingdom legally revoked its membership in the European Union ("**Brexit**"). The United Kingdom then entered into the transition period which was agreed between the British government and the European Union. On 24 December 2020, the United Kingdom and the European Union reached the EU-UK Trade and Cooperation Agreement, setting out the new rules that will apply from 1 January 2021. The transition period ended on 31 December 2020 and the United Kingdom left the European Union single market and customs union. Brexit may continue to create negative economic impact and increase volatility in global markets, including but not limited to further decreases in global stock exchange indices, increased foreign exchange volatility (in particular a further weakening of the pound sterling and euro against other leading currencies) and a possible economic recession involving more countries and areas.

On 11 March 2020, the World Health Organisation declared COVID-19 as a global pandemic. The COVID-19 pandemic has resulted in a number of countries declaring a state of emergency and a number of countries, including the PRC, Japan, the United States, members of the European Union and the United Kingdom, imposing extensive business and travel restrictions with a view to containing the pandemic. Widespread reductions in consumption, industrial production and business activities arising from the COVID-19 pandemic and the efforts to contain it have negatively impacted the global economy and global markets, causing a global recession in 2020. In addition, given the high uncertainties associated with the COVID-19 pandemic, regional resurgence of COVID-19 may occur in the future, and it is difficult to

predict the extent to which the Group may be affected. For example, in light of the emergence of new variants such as the Delta variant and Omicron variant, renewed lockdowns and other restrictive measures may from time to time be imposed by governments to contain further waves of infections. Should the Group's operations be disrupted again by any resurgence or variance of COVID-19 and the restrictive measures imposed by the local government, the Group's results of operations and financial conditions may be materially and adversely affected. Furthermore, COVID-19 has led to significant volatility in global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time.

As such, there continues to be uncertainty for the overall prospects for the global and the PRC economies this year and beyond. Any material change in the financial markets, the PRC economy or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations. See also “– *Risks Relating to the Group and its Business – The Group's business, financial condition, results of operations and prospects are heavily dependent on the level of economic development in Chongqing and the PRC.*”

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

Substantially all of the Group's assets are located in the PRC and most of the Group's revenue is sourced from the PRC. Accordingly, the Group's business, financial condition, results of operations and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC. The economy of the PRC differs from the economies of most developed countries in many respects, including, with respect to government involvement, level of development, economic growth rate, foreign exchange control and allocation of resources. The economy of the PRC has been transitioning from a planned economy to a more market-oriented economy. In recent years, the PRC Government has implemented a series of measures emphasising market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises.

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

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

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

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

Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and a slowing economy. Inflation rates within the PRC have been on a downward trend in recent years. A prolonged period of deflation may result in falling profits, closure of plants and shrinking employment and incomes by companies and individuals, any of which could adversely affect the Group's business, financial condition or results of operations.

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

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

In addition, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, the Group may not be aware of the Group's violation of these policies and rules until some time after the violation. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management's attention.

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

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



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

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

It may be difficult to effect service of process upon, or to enforce against, the Company or its directors or members of the Company's senior management who reside in the PRC in connection with judgments obtained in non PRC courts. Substantially all of the Group's assets and the Group's members are located in the PRC. In addition, substantially all of the assets of the Company's directors and the members of its senior management may be located within the PRC. Therefore, it may be difficult for investors to effect service of process upon the Company or its directors or members of its senior management inside the PRC. The PRC has not entered into treaties or arrangements providing for the recognition of judgment made by courts of most other jurisdictions. On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the **"Choice of Court Arrangement"**), pursuant to which a party with an enforceable final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a "choice of court" agreement in writing may apply for recognition and enforcement of the judgment in the PRC. Similarly, a party with an enforceable final court judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a "choice of court" agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A "choice of court" agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Choice of Court Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute do not enter into a "choice of court" agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against the Company or the Company's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for foreign judgments in the PRC. On 18 January 2019, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the **"2019 Arrangement"**), which seeks to establish a bilateral legal mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between the courts of Hong Kong and the PRC. The 2019 Arrangement will be implemented by local legislation in Hong Kong and will take effect after both Hong Kong and the PRC have completed the necessary procedures to enable implementation and shall apply to judgments made by the courts of Hong Kong and the PRC on or after the date of the commencement of the 2019 Arrangement. Upon commencement of the 2019 Arrangement, the Choice of Court Arrangement shall be terminated, except for "choice of court" agreements in writing made between parties before the commencement of the 2019 Arrangement, in which case the Choice of Court Arrangement shall continue to apply. However, the recognition and enforcement of judgments rendered by a Hong Kong court in the PRC are subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement. There can be no assurance that investors can successfully effect service of process against

the Company or the Company's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for judgments rendered by a Hong Kong court in the PRC. Furthermore, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, United Kingdom, or some other European countries or Japan. Hence, the recognition and enforcement in the PRC of judgment of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

**The Group is subject to restrictions on the remittance of Renminbi into and out of the PRC and governmental controls on currency conversion and may be affected by the risks relating to fluctuations in exchange rates in the future.**

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of currency out of the PRC. Substantially all of the Group's revenue is denominated in Renminbi, a portion of which may need to be converted into other currencies in order to meet the Group's foreign currency obligations, such as payments of principal and interests under the Bonds or other foreign currency denominated debt, if any. Under existing PRC laws and regulations on foreign exchange, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE provided that certain procedural requirements are complied with. Approval from, or registration with, competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. More restrictions and extensive vetting processes have been put in place by SAFE to regulate cross-border transactions under the capital account, such as the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知). The PRC government may, at its discretion, take measures to restrict access to foreign currencies for current account and capital account transactions under certain circumstances. If the foreign exchange control system prevents the Group from obtaining sufficient foreign currencies to satisfy the Group's foreign currency demands, the Group may not be able to make interest payments and/or principal repayment to the Bondholders or holders of other foreign currency denominated debt, if any. In addition, there can be no assurance that new laws or regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of the PRC.

The value of Renminbi against the U.S. dollar and other foreign currencies is subject to changes in the PRC's policies, as well as international economic and political developments. On 21 July 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. From 21 July 2005 to 17 March 2014, the floating band of interbank spot foreign exchange market trading price of Renminbi against the U.S. dollar was gradually widened from 0.3 per cent. to 2 per cent. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies.

On 11 December 2015, the China Foreign Exchange Trade System (“CFETS”), a sub-institutional organisation of PBOC, published the CFETS Renminbi exchange rate index for the first time, which weighs Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. The PBOC has further authorised the CFETS to announce its central parity rate for Renminbi against the U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote. In January and February 2016, the Renminbi experienced further fluctuations in value against the U.S. dollar. From 1 January 2017, according to the sampling rule of “CNY versus FX currency pair listed on CFETS”, CFETS will add 11 currencies newly listed on CFETS in 2016, and the number of basket currencies will increase from 13 to 24. The International Monetary Fund announced on 30 September 2016 that, effective on 1 October 2016, the Renminbi was added to its Special Drawing Rights currency basket.

On 5 August 2019, the PBOC set the Renminbi’s daily reference rate above RMB7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. With the development of the foreign exchange market and progress towards interest rate liberalisation and Renminbi internationalisation, the PRC government may in the future announce further changes to the exchange rate system. There can be no assurance that Renminbi will not experience significant depreciation or appreciation against the U.S. dollar or against any other currency in the future. There remains significant international pressure on the PRC government to adopt more flexible currency policies. In the event of material fluctuations in the exchange rates of the U.S. dollar against Renminbi, the Group’s ability to pay dividends in foreign currencies may be materially and adversely affected. Such fluctuations may also cause the Group to incur foreign exchange losses and affect the relative value of any dividends distributed by its PRC subsidiaries. In addition, appreciation or depreciation in the value of Renminbi relative to the U.S. dollar may affect the Group’s financial results in U.S. dollars without giving effect to any underlying change in its businesses or results of operations. Fluctuations in the value of the Renminbi could adversely affect the value of the Group’s foreign currency-denominated transactions along with the value of the cashflow generated from its foreign currency-denominated operations, thereby adversely affecting its profitability and results of operations. This may also have an adverse effect on the Group’s plans to expand its international operations.

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

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

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

Facts, forecasts and other statistics in this Offering Circular relating to the PRC, its economy or the relevant industry in which the Group operates have been directly or indirectly derived from official government publications and certain other public industry sources and although the Group believes such facts and statistics are accurate and reliable, it cannot guarantee the quality or the reliability of such source materials. They have not been prepared or independently verified by the Company, the Agents or any of

its or their respective affiliates, employees, directors, agents, advisors or representatives, and, therefore, the Company, the Agents or any of its or their respective affiliates, employees, directors, agents, advisors or representatives makes no representation as to the completeness, accuracy or fairness of such facts or other statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be incomplete, inaccurate or unfair or may not be comparable to statistics produced for other economies or the same or similar industries in other countries and should not be unduly relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

**The Company is subject to audits and inspections by PRC governmental authorities from time to time. The Group cannot predict the effect of the outcome of these audits and inspections on its businesses and financial conditions or its reputation.**

PRC governmental authorities from time to time carry out audits, inspections, inquiries or similar actions on state-owned enterprises such as the Company. The Group cannot predict the outcome of such governmental audits and inspections. If the Company is found to have material misstatements or omissions in its financial reports or material noncompliance with laws or other irregularities in its operations, it may be subject to fines and other disciplinary actions imposed by such governmental authorities, and its reputation, business and financial condition may be materially and adversely affected.

#### **RISKS ASSOCIATED WITH THE BONDS AND THE STANDBY LETTER OF CREDIT**

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

The Issuer and the LC Bank are both incorporated under the laws of the PRC. As such, any insolvency proceeding relating to the Issuer or the LC Bank, even if brought in other jurisdictions, would likely involve insolvency laws of the PRC, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

**International financial markets and world economic conditions may adversely affect the market price of the Bonds.**

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

There is substantial uncertainty relating to the implementation of the United Kingdom's exit from the European Union or its impact on the economic conditions of other part of the world, such as the PRC, including but not limited to further decreases in global stock exchange indices, increased foreign exchange volatility (in particular a further weakening of the pound sterling and euro against other leading

currencies) and a possible economic recession involving more countries and areas. The outlook for the world economy and financial markets in 2018 and 2019 remains uncertain. Some countries have started to withdraw the stimulus packages previously executed during the financial crisis and implement more moderate monetary policies. The PRC withdrew its economic stimulus plan implemented during the financial crisis and returned to its general policy directions. Economic conditions in the PRC are sensitive to global economic conditions and it is impossible to predict how the PRC economy will develop in the future and whether it might slow down due to the global crisis or experience a financial crisis in a manner and scale similar to that in the United States and European countries between 2008 and 2011.

At the same time, the trade disputes between the PRC and the United States and the increased tariff that the United States plans to impose on Chinese imports may have an adverse effect on the global and the PRC economies resulting in continuing uncertainty for the overall prospects for the global and the PRC economies this year and beyond. Starting in March 2018, the United States imposed tariffs on steel and aluminum imports from the PRC, and later on 6 July 2018, the United States imposed 25 per cent. Tariffs on U.S.\$34 billion worth of Chinese goods as part of its tariffs policy. In return, the PRC responded with similarly sized tariffs on U.S. products. On 18 September 2018, the United States imposed ten per cent. tariffs on approximately U.S.\$200 billion worth of Chinese goods and announced plans to further increase the rate to 25 per cent. in January 2019. In return, the PRC responded with tariffs on U.S.\$60 billion worth of U.S. goods. In May 2019, the United States proposed to impose 25 per cent. tariffs on an additional U.S.\$300 billion worth of Chinese goods. The rhetoric surrounding the trade war continues to escalate and no conclusive and meaningful resolutions have emerged from the sporadic trade negotiations. The amicable resolution of such trade war remains elusive, and the lasting impacts any trade war may have on the PRC economy and the PRC trading industry remain uncertain. The reduced demand for exports produced in the PRC, reduced levels of foreign and domestic investment in the PRC and decreased consumer confidence may result in a slowdown in growth in the markets of the PRC. In addition, the PRC government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant control over PRC economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. There can be no assurance that future changes in the PRC's political, economic and social conditions, laws, regulations and policies will not have a material adverse effect on the Group's current or future business and financial condition.

#### **A trading market for the Bonds may not develop.**

The Bonds are a new issue of securities for which there is currently no trading market. Although approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST, no assurance can be given as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to a limited numbers of investors. A limited number of investors may purchase a significant portion of the Bonds offered. The existence of any such significant holder(s) of the Bonds may reduce the liquidity of the Bonds in the secondary trading market. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. The Joint Lead Managers are not obligated to make a market in the Bonds, and if any Joint Lead Manager does so it may discontinue such market-making activity at any time without notice. Further, the Bonds are issued in the specified denomination of CNY1,500,000 and integral multiples of CNY1,000 in excess thereof, may not be transferred unless the principal amount of Bonds transferred and (where not all of the Bonds held by a Bondholder are being transferred) the principal amount of the balance of Bonds not transferred is not less than the minimum specified denomination, and may consequently be allocated to a limited number of investors. All of these factors may limit liquidity of Bonds.



In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders of the Bonds will only be able to resell the Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. It is the obligation of investors to ensure that offers and sales of the Bonds within relevant countries comply with applicable securities laws. Please see “*Subscription and Sale.*” The Issuer cannot predict whether an active trading market for the Bonds will develop or be sustained.

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

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in each of the Group’s and the LC Bank’s revenue, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies, changes in the industry in which the Group or the LC Bank operates or any adverse change in the credit rating, revenues, earnings or results of operations or otherwise in the financial condition of the LC Bank could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There can be no assurance that these developments will not occur in the future.

**Modifications and waivers may be made in respect of the Terms and Conditions, the Standby Letter of Credit and the Trust Deed by the Trustee or less than all of the holders of the Bonds.**

The Terms and Conditions provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the Terms and Conditions or any of the provisions of the Trust Deed or the Standby Letter of Credit that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Terms and Conditions or any of the provisions of the Trust Deed or the Standby Letter of Credit that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders; and (iii) any amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a future issue of bonds pursuant to Condition 15 (*Further Issues*) to reflect the new aggregate principal amount of the Bonds following such issue.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be binding on the Bondholders and shall be notified by the Issuer to the Bondholders as soon as practicable thereafter.

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

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10 (*Events of Default*) of the Terms and Conditions and the taking of steps and/or actions and/or the instituting of proceedings against the Issuer and/or the LC Bank pursuant to Condition 13 (*Enforcement*) of the Terms and Conditions), the Trustee may (at its sole discretion) request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions and/or steps and/or institutes proceedings on behalf of the Bondholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute such proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact when such actions and/or steps can be taken and/or such proceedings can be instituted. The Trustee may not be able to take actions, and/or steps and/or institute proceedings notwithstanding the provision of an indemnity and or security and or pre-funding to it, in breach of the terms of the Trust Deed and in such circumstances or where there is uncertainty or



dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such actions and/or steps and/or institute such proceedings directly.

**The LC Bank's ability to perform its obligations under any Standby Letter of Credit issued by it is subject to various factors).**

The LC Bank is not a separate and independent legal person but has capacity to carry on its activities within its scope of the authorisation given by Evergrowing Bank Co. Ltd ("**Evergrowing Bank**"), and if the assets of the LC Bank are not sufficient to meet the obligations of the LC Bank under the Standby Letter of Credit, Evergrowing Bank would have an obligation to satisfy the remaining balance of the obligations under the Standby Letter of Credit. Therefore, the ability of the LC Bank to make payments under the Standby Letter of Credit will depend on the financial conditions of Evergrowing Bank, which could be materially and adversely affected by a number of factors, including, but not limited to, the following:

- *Impaired loans and advances:* Evergrowing Bank's results of operations have been and will continue to be negatively affected by its impaired loans. If the Evergrowing Bank is unable to effectively control and reduce the level of impaired loans and advances in its current loan portfolio and in new loans it extends in the future, or Evergrowing Bank's allowance for impairment losses on loans and advances is insufficient to cover actual loan losses, Evergrowing Bank's financial conditions could be materially and adversely affected.
- *Collateral and guarantees:* A substantial portion of Evergrowing Bank's loans is secured by collateral. In addition, a substantial portion of its PRC loans and advances is backed by guarantees. If Evergrowing Bank is unable to realise the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of such loans due to various factors, the Evergrowing Bank's financial conditions could be materially and adversely affected.
- *Loans to real estate sector and government financing platforms:* Evergrowing Bank's loans and advances to customers primarily comprise loans and advances to the manufacturing, transportation, logistics and postal services, production and supply of power, heat gas and water, leasing and commercial services and real estate industries; while a majority of Evergrowing Bank's personal loans and advances to customers primarily comprise residential mortgages. As such, the repayment of such loans and advances to customers is affected by the market performance and conditions of the aforementioned industries which may be affected by many factors, including, without limitation, cyclical economic volatility and economic downturns. In addition, the PRC government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from overheating. Such factors may adversely affect the growth and quality of its loans to the real estate industry and, consequently, Evergrowing Bank's financial conditions and results of operations. Loans to government financing platforms are a part of the loan portfolio of Evergrowing Bank. The government revenues are primarily derived from taxes and land premiums. Therefore, economic cycles and fluctuations in the real estate market may also adversely affect the quality of such loans.

In addition, as neither Evergrowing Bank nor the LC Bank has waived sovereign immunity for the purpose of the Standby Letter of Credit, it is possible that such immunity is asserted at the time of enforcement of the Standby Letter of Credit.

## **Gains on the transfer of the Bonds may be subject to income tax and VAT under PRC tax laws.**

Under the Enterprise Income Tax Law of the PRC (the “**EIT Law**”) which took effect on 1 January 2008 and amended on 24 February 2017 and 29 December 2018 and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “**non-resident enterprise**” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise Bondholders would be treated as income derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the Individual Income Tax Law of the PRC (the “**IIT Law**”) as last amended on 31 August 2018, and its implementation rules, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the “**Arrangement**”) which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied. On 23 March 2016, the MOF and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (關於全面推開營業稅改徵增值稅試點的通知) (Caishui [2016] No. 36) (“**Circular 36**”), which introduced a new value-added tax (“**VAT**”) from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide financial services such as providing loans within the PRC. The Issuer will be obliged to withhold VAT of 6 per cent. on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

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

In addition, as there are currently no specific regulations or guidelines relating to the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone, there is uncertainty as to whether or not the China (Shanghai) Pilot Free Trade Zone resident investors would be treated as non-resident enterprises or individuals of the PRC. In the event that China (Shanghai) Pilot Free Trade Zone resident

investors holding the Bonds are treated as PRC tax residents, such holders may be subject to additional PRC taxes (or higher PRC tax rates) in relation to any interest income or gains realised on the transfer of the Bonds. China (Shanghai) Pilot Free Trade Zone resident investors should further consult their own legal and tax advisors in relation to their EIT and IIT obligations.

**Stamp duty may also be imposed during the issuance and transfer of the Bonds.**

According to Stamp Duty Law of the PRC (中華人民共和國印花稅法) promulgated on 10 June 2021 and been effective on 1 July 2022, entities and individuals who make taxable documents and conduct securities transactions within the territory of the PRC are the taxpayers of stamp duty and shall pay stamp duty in accordance with the provisions of this Law, and all entities and individuals who make taxable documents outside the territory of the People's Republic of China to be used within the territory of the People's Republic of China shall pay stamp duty in accordance with the provisions of this Law.

However, there are no specific regulations or guidelines relating to the taxation of the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone. Although the issuance or transfer of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone may not be treated as the issuance or transfer of debt securities issuance in the PRC, there can be no assurance that if the issuance or transfer of the Bonds will not be deemed or treated by PRC taxation authority as the entry into a loan contract or use of any other taxable instruments in the PRC and thus be subject to PRC stamp duty. In addition, there can be no assurance that PRC laws will not be revised as to impose stamp duty upon the issuance or transfer of the Bonds or similar debt instrument. If the issuance of the Bonds is treated in the same way as the entering into of a loan contract, or use of any other taxable instruments in the PRC, both the borrower and lender (i.e. the Issuer and investors purchasing the Bonds, respectively) in respect of the issuance of the Bonds, or both the transferor and transferee (i.e. investors transferring the Bonds) in respect of the transfer of the Bonds would be each subject to PRC stamp duty of 0.005 per cent. of the amount borrowed, or any other rate applicable to the issuance and 0.05 per cent to the transfer of the Bonds (or such higher rate if local governments have other additional requirements). The Issuer undertakes that to the extent any PRC stamp duty is payable on initial issuance of the Bonds, it will bear such PRC stamp duty.

Any taxpayer, withholding agent, tax authority or its staff member in violation of the provisions of the present Law will be subject to legal liability in accordance with the Law of the PRC on the Administration of Tax Collection and the relevant laws and administrative regulations. Investors should further consult their own legal and tax advisors in relation to their PRC stamp duty obligations and liabilities in relation to any transfer of the Bonds.

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

The Bonds are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in or incorporated by reference in this Offering Circular (and any applicable supplement or amendment);
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- have the ability to understand and evaluate all information and materials with respect to the Issuer, the Group and the LC Bank, including those in the Chinese language;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

**Bond issuance in the China (Shanghai) Pilot Free Trade Zone is a recent development and such bonds cleared through CCDC will be subject to the operational procedures and requirements of CCDC.**

Bond issuance in the China (Shanghai) Pilot Free Trade Zone is a recent market development. Such bonds are cleared through CCDC and will be subject to the operational procedures and requirements of CCDC. CCDC is responsible for setting, and has in place its own set of, operational procedures and requirements for bond issuance, clearance and settlement. In particular, if required by regulatory authorities pursuant to a lawful inquiry, freezing or other order, CCDC may dispose of the bonds without prior notice to, and may take certain action in respect of the accounts of, its accountholders and recognised custodian. CCDC also sets rules on who may invest and trade in the bonds issued in the China (Shanghai) Pilot Free Trade Zone. See *“– An investor needs to maintain an account with CCDC or a sub-account with a custodian recognised by CCDC to invest in and trade the Bonds”*. As the market continues to develop, CCDC's procedures and requirements may be amended from time to time. In addition, the terms of the service agreements entered into by CCDC with the Issuer, any recognised custodian and any investor participants, may be amended from time to time. There is no assurance that CCDC's current operational procedures and requirements will remain unchanged during the term of the Bonds.

**The Bonds will be issued in uncertificated book-entry form held in CCDC and holders of beneficial interests in the Bonds must rely on the procedures of CCDC and (in the case of investors located outside the PRC) any custodian recognised by CCDC.**

The Bonds will be issued in uncertificated book-entry form held in CCDC with CCDC entered in the register of the Bonds as the sole registered holder on behalf of the persons notionally entitled thereto. CCDC will maintain records of the beneficial interests in the Bonds. A custodian will, through its account with CCDC, hold beneficial interests in the Bonds on behalf of investors located outside the PRC and will maintain sub-accounts in CCDC showing such beneficial interests. Investors will not be entitled to receive definitive Certificates unless CCDC is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Holders of beneficial interests in the Bonds must rely on the procedures of CCDC and (in the case of holders located outside the PRC) any custodian recognised by CCDC to receive payments under the Bonds. Each payment will be made either to the Renminbi free trade account (自由貿易賬戶) maintained by or on behalf of a holder with a bank in the China (Shanghai) Pilot Free Trade Zone (“**FTZ Account**”) or, the Renminbi account maintained by or on behalf of a holder with a bank in Hong Kong. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Bonds.

**An investor needs to maintain an account with CCDC or a sub-account with a custodian recognised by CCDC to invest in and trade the Bonds.**

As the Bonds will be issued in uncertificated book-entry form held in CCDC, an investor needs to maintain an account with CCDC or a sub-account with a custodian recognised by CCDC in order to invest in the Bonds. While the Bonds are held in CCDC, the Bonds can only be traded between investors who maintain accounts with CCDC (and not with any other clearing system) or sub-accounts with a custodian recognised by CCDC. This requirement may make the Bonds difficult to trade and affect the liquidity of the Bonds.

**Any amount received by Bondholders in their respective FTZ Accounts may be subject to certain restrictions.**

FTZ Accounts are created and maintained pursuant to the Opinion of the People’s Bank of China on Financial Support for Construction of China (Shanghai) Pilot Free Trade Zone (中國人民銀行關於金融支持中國(上海)自由貿易試驗區建設的意見) and other pilot rules, regulations, circulars or notes in connection therewith, which allow the remittance of the proceeds from the offering of the Bonds out of the China (Shanghai) Pilot Free Trade Zone (the “**Shanghai FTZ**”) or the remittance of money into the Shanghai FTZ. However, these rules in relation to FTZ Accounts are constantly evolving. There can be no assurance that if a Bondholder elects to receive the amounts payable under the Bonds in his or her FTZ Account, such amounts will not be subject to supporting documentation requirements or restrictions on foreign exchange conversion and/or offshore remittance and/or the maximum limitation which may apply to such FTZ Account in the future.

**The Bonds are unsecured obligations.**

As the Bonds are unsecured obligations, the repayment of the Bonds may be adversely affected if:

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

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

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

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to 100 per cent. of their principal amount, together with any interest accrued to (but not including) the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in Condition 9 (*Taxation*) of the Terms and Conditions), as further described in Condition 7(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

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

**The Issuer may not be able to raise the funds necessary to finance the purchase of the Bonds upon the exercise of redemption rights by a holder of the Bonds pursuant to the occurrence of a Change of Control Event.**

Following the occurrence of a Change of Control Event, Bondholders may require the Issuer to redeem their Bonds. See "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Change of Control Event*". If such an event were to occur, the Issuer may not have sufficient cash on hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The source of funds for any such redemption would be the Issuer's available cash or third party financing. However, there can be no assurance that the Issuer would have sufficient funds at that time to make the required redemption of the Bonds. In addition, agreements to which the Issuer is a party at that time may restrict or prohibit such a payment. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by or on behalf of the Issuer may constitute an event of default under the Bonds, which may also constitute a default under the terms of its other indebtedness.

**The Issuer may issue additional Bonds in the future.**

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing for complying with the requirements set out in the Terms and Conditions in relation to the Registration Conditions and the NDRC Post-issue Filing (both as defined in the Terms and Conditions)) (see "*Terms and Conditions of the Bonds – Further Issues*") or otherwise raise additional capital through such means and in such manner as the Issuer may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

**If the Issuer is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated.**

If the Issuer is unable to comply with its current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of the Issuer's debt agreements contain cross-acceleration or cross-default provisions. As a result, the Issuer's default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under the Issuer's other debt agreements. If any of these events occur, the Issuer cannot assure Bondholders that its assets and cash flows would be sufficient to repay in full all of its respective indebtedness, or that the Issuer would be able to find alternative financing. Even if it could obtain alternative financing, it cannot assure Bondholders that it would be on terms that are favourable or acceptable to such Bondholders.



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

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates. As the Bonds will carry a fixed interest rate, the trading price of the Bonds will consequently vary with the fluctuations in interest rates. If the Bondholders propose to sell their Bonds before their maturity, they may receive an offer lower than the amount they have invested.

**The Bondholders would need to be subject to the exclusive jurisdiction of the Hong Kong courts and there is also no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of Hong Kong law governed matters or disputes.**

The Terms and Conditions of the Bonds and the transaction documents are governed by Hong Kong law, whereas parties to these documents submit to the exclusive jurisdiction of the Hong Kong courts.

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

**The Standby Letter of Credit will expire 30 days after the Maturity Date.**

The Standby Letter of Credit will expire 30 days after the Maturity Date. In the event that the Trustee does not enforce the Standby Letter of Credit by the expiry date, the Bondholders will not be able to benefit from the credit protection provided by the LC Bank.

**Decisions that may be made on behalf of all holders of the Bonds may be adverse to the interests of individual holders of the Bonds.**

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

**The Bonds will be mandatorily redeemed upon a Pre-funding Failure.**

The Terms and Conditions provide for a demand to be made under the Standby Letter of Credit once only, in the event the Issuer fails to pre-fund the principal and/or interest payment due on the Bond or upon the occurrence of an Event of Default under the Bonds. Such demand will be made in respect of the full amount of the outstanding principal due and interest accrued on the Bonds (together with all fees, costs, expenses, indemnity payments and other amounts payable under or in connection with the Bonds, the Account Bank Agreement, the Trust Deed and/or any other transaction document relating to the Bonds), and thereafter the Bonds may be mandatorily redeemed in accordance with Condition 7(d) (*Mandatory redemption upon Pre-funding Failure*). Should such mandatory redemption event occur, the Bondholders may not be able to hold their Bonds to maturity and receive the expected stream of income from holding the Bonds if certain Bondholders have exercised the put option pursuant to Condition 7(c) (*Redemption for Change of Control Event*). An investor of the Bonds may not be able to reinvest the redemption proceeds in comparable securities at an effective interest rate at the same level as that of the Bonds.

**Issuance of bonds within the China (Shanghai) Pilot Free Trade Zone is a recent market development and there is uncertainty in terms of the relevant registration with SAFE with respect to the Bonds.**

In accordance with the Administrative Measures for Foreign Debt Registration (《外債登記管理辦法》) (the “**Foreign Debt Registration Measures**”) issued by SAFE and which came into effect on 13 May 2013, the Notice of the People’s Bank of China on Matters Concerning Macro-prudential Management on All-round Cross-border Financing (《中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知》) (“**Cross-border Financing Circular**”) issued by the People’s Bank of China (the “**PBOC**”) and which came into effect on 12 January 2017 and any implementation rules, reports, certificates, approvals or guidelines as issued by SAFE or the PBOC, as the case may be and from time to time, a debtor shall submit foreign debt registration when borrowing foreign debts in accordance with laws and regulations. However, there is some uncertainty as to whether bond issuances in the Shanghai FTZ by companies incorporated within the PRC would be regarded as foreign debts requiring registration with SAFE.

The Issuer and its legal counsels have obtained verbal confirmation from the local branch of SAFE that neither the Foreign Debt Registration Measures nor Cross-border Financing Circular apply to bond issuances issued by the Issuer in the Shanghai FTZ. However, there is uncertainty regarding the extent to which an issuer may rely on a verbal interpretation of the relevant regulations by the relevant regulators.

In order to enable the remittance of the proceeds from the Bonds offering into the PRC as well as to allow the future cross-border payments of principal, premium (if any) and interest under the Bonds when such payments become due, the CCDC and the Issuer have entered into service agreements pursuant to which the CCDC will handle the remittance of the proceeds from the Bonds into the PRC as well as the future cross-border payments of principal, premium (if any) and interest under the Bonds when such payments become due. The Issuer understands that CCDC has communicated with the relevant department of the PBOC. In addition, CCDC has informed the PBOC of the arrangements set out in the service agreements. In addition, the Bonds will have the benefit of the Standby Letter of Credit issued by the LC Bank. The LC Bank may be required to submit the relevant data for overseas loans through data interface programme

or any other method to SAFE in accordance with, the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees, the Notice of the General Affairs Department of the State Administration of Foreign Exchange on Improving the Foreign Exchange Administration for Overseas Loans under Domestic Guarantees as well as other applicable laws and regulations. Failure to do so will not render the Standby Letter of Credit ineffective or invalid under PRC law. However, the LC Bank might be punished by SAFE in accordance with the Regulations of the People's Republic of China on Foreign Exchange Control.

The interpretation of the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees and other relevant regulations may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Standby Letter of Credit in the PRC. In addition, the administration of the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees may be subject to a certain degree of executive and policy discretion by SAFE. There can be no assurance that the data submission of the Standby Letter of Credit with SAFE can be completed by the LC Bank or that such registration or submission will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the validity and enforceability of the Standby Letter of Credit in the PRC.

**The Standby Letter of Credit is subject to a maximum limit and may not be sufficient to satisfy all payments due under the Standby Letter of Credit.**

Payments of principal and interest in respect of the Bonds and the fees and expenses and other amounts in connection with the Bonds, the Trust Deed, the Account Bank Agreement and/or any other transaction document relating to the Bonds will have the benefit of the Standby Letter of Credit up to a maximum limit of CNY279,384,900, an amount representing only (i) the aggregate principal amount of the Bonds plus interest payable for one interest period (being six months) in accordance with the Terms and Conditions and (ii) CNY7,133,900 being the maximum amount payable under the Standby Letter of Credit for any fees, costs, expenses, indemnity and all other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Account Bank Agreement and/or any other transaction document relating to the Bonds. There can be no assurance that the maximum limit of the Standby Letter of Credit is sufficient to fully satisfy the aforementioned payments.

## **RISKS ASSOCIATED WITH BONDS DENOMINATED IN RENMINBI**

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

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

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

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

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

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

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

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

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

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

There can be no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer does remit some or all of the proceeds from the China (Shanghai) Pilot Free Trade Zone (“**Shanghai FTZ**”) into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds from the PRC into the Shanghai FTZ in Renminbi, it will need to source Renminbi in the Shanghai FTZ or elsewhere outside the PRC to finance its obligations under the Bonds, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

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

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

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

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

## TERMS AND CONDITIONS OF THE BONDS

*The following, other than the words in italics, is the text of the terms and conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:*

These are the terms and conditions (“**Conditions**”) of CNY266,000,000 4.7 per cent. bonds due 2025 (the “**Bonds**”, which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 15 and consolidated and forming a single series with the Bonds) of Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (重慶巴洲文化旅遊產業集團有限公司) (the “**Issuer**”). The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer passed on 11 February 2022 and by an approval of the shareholder of the Issuer on 14 February 2022.

The Bonds are constituted by a trust deed (as amended, supplemented and/or replaced from time to time, the “**Trust Deed**”) dated 1 December 2022 (the “**Issue Date**”) between the Issuer and CMB Wing Lung (Trustee) Limited (the “**Trustee**”, which expression shall include any successor trustee and all persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Bonds. An account bank agreement (the “**Account Bank Agreement**”) has been entered into among the Issuer, the Trustee, CMB Wing Lung Bank Limited as the account bank (in such capacity, the “**Pre-funding Account Bank**”, which expression shall include any successor) with which the Pre-funding Account (as defined in Condition 4(b)) is held and as the account bank (in such capacity, the “**LC Proceeds Account Bank**”, which expression shall include any successor) with which the LC Proceeds Account (as defined in Condition 4(b)) is held. These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds.

An offshore bond issuer service agreement (離岸債券發行人服務協議) dated 27 October 2022 (as amended or supplemented from time to time, the “**Service Agreement**”) has been entered into in relation to the Bonds between the Issuer, China Central Depository & Clearing Co., Ltd. (中央國債登記結算有限責任公司) (“**CCDC**”) as principal agent and the other agents named in it. The principal agent, the registrar and any transfer agent for the time being are referred to below respectively as the “**Principal Agent**”, the “**Registrar**” and the “**Transfer Agent**”. “**Agents**” means the Principal Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time with respect to the Bonds. So long as CCDC acts as the Principal Agent and notwithstanding any provision to the contrary in these Conditions, CCDC has the right to amend or supplement the Service Agreement (including its rules and procedures which form part of the Service Agreement). In such case, the Issuer may accept CCDC’s amendments to the Service Agreement without the consent of the Trustee or the Bondholders (as defined below). Copies of the Trust Deed and the Service Agreement are available for inspection during normal business hours at the registered office for the time being of the Issuer (being as at the Issue Date at No. 265, Longzhou Avenue, Banan Qu Chongqing, China) and at the specified offices of the Principal Agent following prior written request and proof of holding and identity to the satisfaction of the Issuer. The Bondholders are deemed to have notice of all the provisions of the Service Agreement (as may be amended or supplemented by CCDC from time to time) applicable to them.

The Bonds will have the benefit of an irrevocable standby letter of credit (the “**Standby Letter of Credit**”) dated on or prior to 1 December 2022 issued by Evergrowing Bank Co. Ltd Chongqing Branch (the “**LC Bank**”) in favour of the Trustee on behalf of itself and the holders of the Bonds.

For as long as any Bond is outstanding, copies of the Trust Deed, the Standby Letter of Credit and the Account Bank Agreement are available for inspection upon prior written request and satisfactory proof of holding and identity at all reasonable times between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays) at the principal office of the Trustee (presently at 6/F, CMB Wing Lung Bank Building, 45 Des Voeux Road Central, Hong Kong). The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Standby Letter of Credit and are deemed to have notice of those provisions applicable to them of the Account Bank Agreement.



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

## 1. FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in the specified denomination of CNY1,500,000 and integral multiples of CNY1,000 in excess thereof (each a “**Specified Denomination**”). The Bonds are initially issued in registered uncertificated form by entry in the Register (as defined in Condition 3(a)) and will not be serially numbered, unless otherwise agreed between the Issuer and the Principal Agent. No certificate or other evidence of title will be issued by, or on behalf of, the Issuer to evidence title to a Bond unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

The Bonds are debt obligations of the Issuer owing under the Trust Deed. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Bondholder of the indebtedness of the Issuer to the relevant Bondholder which the Bondholder to whom those separate and individual obligations are owed is entitled to enforce without having to join any other Bondholder or any predecessor to title of a Bondholder.

Title to the Bonds shall pass by transfer and registration in the Register as described in Condition 3. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Bond shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it.

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

*The Bonds will initially be issued in uncertificated book-entry form entered in CCDC and will not be serially numbered, unless otherwise agreed between the Issuer and the Principal Agent. No certificate or other evidence of title will be issued by, or on behalf of, the Issuer to evidence title to a Bond unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.*

*With respect of any Bonds entered in CCDC, these Conditions are modified by the rules and procedures of CCDC as in effect from time to time. See “Summary of Provisions Relating to the Bonds Held in CCDC” in this Offering Circular.*

*When the Bonds are entered in CCDC, a “**Bondholder**” or “**Holder**” means the person in whose name an interest in the Bonds is entered on the books and records of CCDC and the amount of interest in the Bonds shown in the books and records of CCDC as held by the Holder shall represent the entire holding of interest in the Bonds of that Holder.*

*If the Bonds are entered in CCDC, a Bondholder may, on or after the Exchange Date (as defined below), exchange its interest in the Bonds (as shown on the books and records of CCDC) in whole but not in part for registered certificates from the Issuer if (i) CCDC is closed for business for a continuous period of 14 business days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so or (ii) the Service Agreement is terminated.*

*“**Exchange Date**” means a day falling not less than 60 calendar days or, in the case of exchange following failure to pay principal in respect of any Bonds when due for 30 calendar days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Agent is located and, in the case of exchange pursuant to (ii) above, in the city in which CCDC is located.*

## 2. STATUS

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

## 3. TRANSFERS OF BONDS

### (a) Register

The Issuer will cause the register (the “**Register**”) of Bondholders to be kept at the specified office of the Registrar and in accordance with the terms of the Service Agreement, on which shall be entered the names and account numbers of the Holders and the particulars of the Bonds held by them and of all transfers of the Bonds.

*When the Bonds are entered in CCDC, the “**Register**” means the books and records of CCDC showing the amount of interest in the Bonds held by each Bondholder.*

### (b) Transfer

Subject to the Service Agreement and Conditions 3(d) and 3(e), a Bond may be transferred in whole or in part by depositing the form of transfer in the form as from time to time specified by, and obtainable from, the Principal Agent duly completed and signed, at the specified office of the Registrar or any Transfer Agent and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer.

No transfer of title to a Bond will be valid unless and until entered on the Register.

*Transfers of interests in the Bonds entered in CCDC will be effected in accordance with the rules and procedures of CCDC in effect from time to time, and any transferee acquiring such interests in the Bonds will be required to have and maintain an account with CCDC.*

*Where not all the Bonds in respect of an uncertificated book-entry in CCDC are the subject of a transfer, a new uncertificated book-entry in respect of the balance of the Bonds will be entered in CCDC.*

### (c) Formalities Free of Charge

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

**(d) Closed Periods**

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (but excluding) the due date for any payment of principal (or premium (if any)) in respect of that Bond; or (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 8(a)); or (iii) after any such Bond has been put for redemption pursuant to Condition 7(c). In this Condition 3(d), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

*With respect to any Bond entered in CCDC, the Conditions are modified by the rules and procedures of CCDC as in effect from time to time.*

**(e) Regulations**

All transfers of Bonds and entries on the Register will, while the Bonds are represented by registered certificates, be made subject to the detailed regulations (the “**Regulations**”) concerning transfer and registration of Bonds scheduled to the Trust Deed, including a requirement that the transferee represent and agree in the form of transfer that it or the person who will have the beneficial interest in the relevant Bonds is a qualified investor under applicable laws and regulations. The regulations concerning transfer and registration of Bonds which are represented by registered certificates may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar with the prior written approval of the Trustee. A copy of the current Regulations will be made available (free of charge to the Bondholders) by the Registrar for inspection by any Bondholder following written request and upon satisfactory proof of holding and identity to the satisfaction of the Registrar during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) Monday to Friday (other than public holidays)).

**4. STANDBY LETTER OF CREDIT AND PRE-FUNDING**

**(a) Standby Letter of Credit**

The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or by such method of communication otherwise as permitted under the Standby Letter of Credit) sent by or on behalf of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (the “**Demand**”) stating that (i) the Issuer has failed to comply with Condition 4(b) in relation to pre-funding the amount that is required to be pre-funded under these Conditions and/or has failed to provide the Required Confirmations (as defined below) in accordance with Condition 4(b) or (ii) an Event of Default (as defined in Condition 10) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with these Conditions.

Only one drawing is permitted under the Standby Letter of Credit.

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

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

The LC Bank's aggregate liability under the Standby Letter of Credit shall be expressed and payable in Renminbi and shall not in any circumstances exceed CNY279,384,900 (the "**Maximum Limit**"), an amount representing (i) the aggregate principal amount of the Bonds plus interest payable for one interest period (being six months) in accordance with these Conditions and (ii) CNY7,133,900 being the maximum amount payable under the Standby Letter of Credit for any fees, costs, expenses, indemnity and all other amounts payable by the Issuer to the Trustee under or in connection with the Bonds, the Trust Deed, the Account Bank Agreement and/or any other transaction document relating to the Bonds. The Standby Letter of Credit shall remain valid and in full force until 5:00 p.m. (Beijing time) on 31 December 2025 and shall expire at the place of the LC Bank.

*See "Appendix A – Form of Irrevocable Standby Letter of Credit" for the form of the Standby Letter of Credit.*

**(b) Pre-funding**

In order to provide for the payment of any amount in respect of the Bonds (other than the amounts payable under Condition 7(d)) (the "**Relevant Amount**") as the same shall become due, the Issuer shall, in accordance with the Account Bank Agreement, by no later than the Business Day falling ten Business Days (the "**Pre-funding Date**") prior to the due date for such payment under these Conditions:

- (i) unconditionally pay or procure to be paid the Relevant Amount in immediately available and cleared funds into the Pre-funding Account; and
- (ii) deliver to the Trustee and the Principal Agent by facsimile or by email (with the original to be delivered promptly thereafter) (A) a Payment and Solvency Certificate signed by any Authorised Signatory, and (B) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Agent by no later than 10:00 a.m. (Beijing time) on the Business Day immediately preceding the due date for such payment (together, the "**Required Confirmations**").

If the Relevant Amount has not been paid into the Pre-funding Account in full and the Pre-funding Account Bank has notified the Trustee of such failure (and the Trustee may rely conclusively on any such confirmation), or the Trustee does not receive the Required Confirmations, in each case by 11:00 a.m. (Beijing time) on the Business Day immediately following the Pre-funding Date (a “**Pre-funding Failure**”), the Trustee shall:

- (i) send the notice (the “**Pre-funding Failure Notice**”) substantially in the form set out in the Trust Deed to the Bondholders on the second Business Day immediately following the Pre-funding Date of (a) the Pre-funding Failure and (b) the redemption of the Bonds in accordance with Condition 7(d) to occur as a result of the Pre-funding Failure, and
- (ii) by no later than 11:00 a.m. (Beijing time) on the second Business Day immediately following the Pre-funding Date issue a Demand to the LC Bank (which shall be presented by the Trustee in accordance with the Standby Letter of Credit) for the aggregate principal amount in respect of all of the Bonds then outstanding, together with interest accrued to, but excluding, the Mandatory Redemption Date (as defined in Condition 7(d)) and all fees, costs, expenses, indemnity and other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Account Bank Agreement and/or any other transaction documents relating to the Bonds, provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of the Demand by authenticated SWIFT to the LC Bank (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a Demand via facsimile transmission).

Following receipt by the LC Bank of such Demand by 5:00 p.m. (Beijing time) on a Business Day, the LC Bank shall by 11:00 a.m. (Beijing time) on the fourth Business Day following such Business Day (or, if such Demand is received by the LC Bank after 5:00 p.m. (Beijing time) on a Business Day, the fifth Business Day following such Business Day), pay to or to the order of the Trustee the amount in Renminbi specified in the Demand in immediately available funds to the LC Proceeds Account.

The Trustee shall be entitled to rely conclusively on any Required Confirmations or any other confirmations or notifications from the Issuer, the Pre-funding Account Bank, the LC Proceeds Account Bank, the LC Bank and/or any Agent received by it and shall not be liable to any Bondholder or any other person for so relying upon such confirmations or notifications.

For the purposes of these Conditions:

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

“**LC Proceeds Account**” means a non-interest bearing Renminbi account established in the name of the Trustee with the LC Proceeds Account Bank and such other accounts or sub-accounts as designated by the LC Proceeds Account Bank from time to time for such purpose;

**“Payment and Solvency Certificate”** means a certificate in English substantially in the form set forth in the Trust Deed stating the Relevant Amount in respect of the relevant due date in respect of the Bonds and confirming that (i) a payment for the Relevant Amount has been made by the Issuer to the Pre-funding Account in accordance with this Condition 4(b) and (ii) the Issuer is solvent; and

**“Pre-funding Account”** means a non-interest bearing Renminbi account established in the name of the Issuer with the Pre-funding Account Bank such other accounts or sub-accounts as designated by the Pre-funding Account Bank from time to time for the purposes specified above.

## 5. COVENANTS

### (a) Notification to NDRC

The Issuer undertakes that it will (i) within ten Registration Business Days after the Issue Date file or cause to be filed with the NDRC the requisite information and documents in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) issued by the NDRC and effective as of 14 September 2015 (the **“NDRC Post-issue Filing”**) and (ii) comply with all applicable PRC laws, rules and regulations in connection with the Bonds (including, but not limited to, any rules issued by the NDRC from time to time).

### (b) Notification of Completion of the NDRC Post-Issue Filing

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

The Trustee may conclusively rely on the Registration Documents and shall have no obligation or duty to monitor or ensure the NDRC Post-issue Filing is made as required by this Condition 5(b) or to assist with the NDRC Post-issue Filing or to verify the accuracy, validity and/or genuineness of any Registration Documents or documents in relation to or in connection with the NDRC Post-issue Filing Documents or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing, or to translate or procure the translation into English of any document referred to above which is in the Chinese language, and shall not be liable to Bondholders or any other person for not doing so.



**(c) Financial Information**

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

- (i) a Compliance Certificate of the Issuer and a copy of the relevant Audited Financial Reports within 150 days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in the PRC (audited by a nationally or internationally recognised firm of independent accountants), and if such statements shall be in the Chinese language, together with an English translation of the same being translated by (aa) a nationally or internationally recognised firm of independent accountants or (bb) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together in each case with a certificate in English (substantially in the form as scheduled to the Trust Deed) signed by an Authorised Signatory certifying that such translation is complete and accurate;
- (ii) a copy of the relevant Unaudited Financial Reports within 120 days of the end of each Relevant Period prepared on a basis consistent with the Audited Financial Reports and if such statements shall be in the Chinese language, together with an English translation of the same being translated by (aa) a nationally or internationally recognised firm of independent accountants or (bb) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together in each case with a certificate in English (substantially in the form as scheduled to the Trust Deed) signed by an Authorised Signatory certifying that such translation is complete and accurate; and
- (iii) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) of the Issuer within 14 days of any written request by the Trustee.

The Trustee shall not be required to review the Audited Financial Reports, the Unaudited Financial Reports or any other financial report furnished or delivered to it as contemplated in this Condition 5(d) and, if the same shall not be in the English language, shall not be required to request, obtain or arrange for an English translation of the same, and the Trustee shall not be liable to any Bondholder or any other person for not doing so.

**(d) Definitions**

In these Conditions:

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

**“Authorised Signatory”** means, in relation to the Issuer, any director or any other officer of the Issuer, who has been authorised by the Issuer to sign the certificates and other documents required or contemplated under these Conditions, the Trust Deed or any other transaction document in relation to the Bonds on behalf of, and so as to bind, the Issuer;

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

- (i) no Event of Default (as defined in Condition 10) or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the Issue Date or, if such an event had occurred, giving details of it; and
- (ii) the Issuer has complied with all its obligations under the Bonds and the Trust Deed or, if such non-compliance has occurred, giving details of it;

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

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

**“Potential Event of Default”** means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 10 become an Event of Default;

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

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

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

**“Unaudited Financial Reports”** means, for a Relevant Period, the semi-annual unaudited and unreviewed consolidated balance sheet, consolidated income statement, consolidated statement of cash flows and consolidated statement of changes in owners’ equity of the Issuer together with any statements, reports (including any directors’ and auditors’ review reports, if any) and notes attached to or intended to be read with any of them, if any.

## **6. INTEREST**

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.7 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY23.50 per Calculation Amount (as defined below) on 1 June and 1 December in each year (each an **“Interest Payment Date”**), commencing on 1 June 2023, provided that if any Interest Payment Date would otherwise fall on a day which is not a business day, the payment of the interest for the respective Interest Period shall be postponed to the next day which is a business day.

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

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Bond shall be calculated per CNY1,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards).

In this Condition 5, the expression “**business day**” means a day (other than a Saturday, Sunday or public holiday) upon which commercial banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Beijing and Hong Kong.

*So long as the Bonds are held in CCDC, the amount payable upon redemption and the amount of interest in respect of the Bonds will be calculated in respect of the aggregate principal amount of the Bonds outstanding, rounding the resulting figure to the nearest cent (half a cent being rounded upwards), and will be paid to each Bondholder in accordance with their respective holdings as shown in CCDC’s books and records at the close of business on the CCDC Business Day (as defined in Condition 8(a)) immediately prior to the date for payment in accordance with the rules and procedures of CCDC, and the expression “business day” means a CCDC Business Day.*

## **7. REDEMPTION AND PURCHASE**

### **(a) Final Redemption**

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 1 December 2025 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.

### **(b) Redemption for Taxation Reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 16 (which shall be irrevocable) and in writing to the Trustee and the Principal Agent, at their principal amount (together with any unpaid interest accrued up to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become

obliged to pay Additional Tax Amounts (as referred to in Condition 9) as a result of any change in, or amendment to, the laws or regulations of the PRC (including the China (Shanghai) Pilot Free Trade Zone) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 25 November 2022, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 7(b), the Issuer shall deliver to the Trustee (A) a certificate in English signed by an Authorised Signatory stating that the obligation referred to in (i) above of this Condition 7(b) cannot be avoided by the Issuer taking reasonable measures available to it, and (B) an opinion, addressed to and in form and substance, satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments.

The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion as sufficient evidence (without further investigation or query and without liability to the Bondholders or any other person) of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 7(b), in which event they shall be conclusive and binding on the Bondholders. The Trustee shall be protected and shall have no liability to any Bondholder or any other person for so accepting and relying on such certificate or opinion. Neither the Trustee nor any of the Agents shall be responsible for monitoring or taking any steps to ascertain whether any of the circumstances mentioned in this Condition 7(b) has occurred or for calculating or verifying the calculations of any amount payable under any notice of redemption under this Condition 7(b) and none of them shall be liable to the Bondholders or the Issuer or any other person for not doing so.

Upon the expiry of any such notice period as is referred to in this Condition 7(b), the Issuer shall be bound to redeem the Bonds on the date and in such manner as specified in such notice in accordance with this Condition 7(b).

**(c) Redemption for Change of Control Event**

Following the occurrence of a Change of Control Event, the Holder of any Bond will have the right (the “**Change of Control Put Right**”), at such Holder’s option, to require the Issuer to redeem all, but not some only, of such Holder’s Bonds on the Put Settlement Date (as defined below in this Condition 7(c)) at 100 per cent. of their principal amount, together with accrued and unpaid interest up to (but excluding) the Put Settlement Date. To exercise such right, the Holder of the relevant Bond must deposit at the specified office of the Principal Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Trust Deed, obtainable from the specified office of the Trustee (a “**Change of Control Put Exercise Notice**”), by not later than 30 days following a Change of Control Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16.

The “**Put Settlement Date**” shall be the 14th Business Day (as defined under Condition 4) after the expiry of such period of 30 days as referred to above.

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

Not later than 14 days following the day on which the Issuer becomes aware of a Change of Control Event, the Issuer shall procure that notice regarding such Change of Control Event shall be delivered to the Trustee and the Principal Agent in writing and to the Holders (in accordance with Condition 16) stating:

- (i) the Put Settlement Date;
- (ii) the date of the Change of Control Event and, briefly, the events causing the Change of Control Event;
- (iii) the date by which the Change of Control Put Exercise Notice must be given;
- (iv) the redemption amount and the method by which such amount will be paid;
- (v) the name and address of the Principal Agent;
- (vi) the procedures that Holders must follow and the requirements that Holders must satisfy in order to exercise the Change of Control Put Right; and
- (vii) that a Change of Control Put Exercise Notice, once validly given, may not be withdrawn.

Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Change of Control Event or any event which could lead to a Change of Control Event has occurred or may occur and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer and none of them shall have any obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with a Change of Control Event and none of them shall be liable to the Holders, the Issuer or any other person for any loss arising from their not doing any of the foregoing. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption or Put Exercise Notice and none of them shall be liable to the Bondholders or the Issuer or any other person for not doing so.

**(d) Mandatory Redemption upon Pre-funding Failure**

The Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date immediately falling after the date on which the Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (the “**Mandatory Redemption Date**”), together with any interest accrued up to, but excluding, the Mandatory Redemption Date.

If the holder of any Bond shall have exercised its right to require the Issuer to redeem its Bond under Condition 7(c) and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, such holder’s Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with this Condition 7(d) on

the Put Settlement Date, together with any interest accrued up to, but excluding, such Put Settlement Date, provided that if such Pre-funding Failure occurs and a Pre-funding Failure Notice has been given or is given to the Bondholders in respect of a scheduled payment of principal or interest payable under Condition 6 or Condition 7(a), the Bonds shall be redeemed in whole, but not in part, on the Mandatory Redemption Date at their principal amount, together with interest accrued to, but excluding, the Mandatory Redemption Date.

For the purpose of these Conditions:

(A) a **“Change of Control Event”** occurs when:

- (i) Chongqing Banan SAMC, and any other Person Controlled by the PRC Government, together cease to directly or indirectly hold or own 90 per cent. of the issued share capital of the Issuer; or
- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other Person or Persons, except where such Person(s) (in the case of asset sale or transfer) or the surviving entity (in case of consolidation or merger) is/are Controlled by the PRC Government;

(B) **“Control”** means (where applicable), with respect to a Person, either (i) or (ii) is satisfied: (i) the ownership, acquisition or control of more than 50.1 per cent. of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly or (ii) the right to appoint and/or remove a majority of the members of the relevant Person’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; the term **“Controlled”** has meanings correlative to the foregoing;

(C) **“Chongqing Banan SAMC”** means the Chongqing City Banan District State-owned Assets Management Centre (重慶市巴南區國有資產管理中心) or its successor;

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

(E) **“PRC Government”** means the government of the PRC and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them.

**(e) Purchase**

The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders and for the purposes of Condition 10 and Condition 12(a).



For the purpose of these Conditions:

- (A) **“Subsidiary”** means, with respect to any person, (a) any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person; or (b) any corporation, association or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person; and
- (B) **“Voting Stock”** means, with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

**(f) Notice of Redemption**

All Bonds in respect of which any notice of redemption is given under this Condition 7 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 7. If there is more than one notice of redemption given in respect of any Bond, including any Tax Redemption Notice given by the Issuer pursuant to Condition 7(b) and any Change of Control Put Exercise Notice given by a Bondholder pursuant to Condition 7(c), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption, and none of them shall be liable to the Holders, the Issuer or any other person for not doing so.

*So long as the Bonds are held in CCDC, redemption of the Bonds for tax reasons or following the occurrence of a Change of Control Event or upon the Pre-funding failure will be effected in accordance with the rules and procedures of CCDC, and the date of redemption, the Put Settlement Date and the Mandatory Redemption Date, where applicable, shall be a CCDC Business Day.*

**8. PAYMENTS**

**(a) Method of Payment**

- (i) Payments of principal and premium (if any) and interest shall be made in Renminbi by transfer to the registered account of the Bondholder.
- (ii) Payment of any amount on each Bond shall be paid to the person shown on the Register at the close of business on the Payment Business Day before the due date for payment thereof (the **“Record Date”**).

For the purposes of this Condition 8, a Bondholder’s **“registered account”** means the Renminbi free trade account (自由貿易賬戶) maintained by or on behalf of it with a bank in the China (Shanghai) Pilot Free Trade Zone as nominated from time to time by the Bondholder and the details of which appear on the Register at the close of business on the Record Date.

- (iii) If the amount of principal being paid is less than the amount then due, the Registrar will annotate the Register with the amount of principal so paid. If the amount of interest or premium (if any) being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest or premium (if any) so paid.

*Notwithstanding the foregoing, so long as the Bonds are entered in CCDC, each payment in respect of the Bonds will be made to the person shown as the Bondholder in the books and records of CCDC at the close of business of CCDC on the CCDC Business Day before the due date for such payments in accordance with the rules of CCDC, where “CCDC Business Day” means a day (other than a public holiday of the PRC or prescribed by special regulations) upon which CCDC is operating.*

**(b) Payments subject to Fiscal Laws**

Payments will be subject in all cases to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

**(c) Payment Initiation**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day).

**(d) Appointment of Agents**

The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a principal agent, (ii) a registrar, (iii) a transfer agent and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed.

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

**(e) Delay in Payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day.

**(f) Non-Payment Business Days**

If any date for payment in respect of any Bond is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 8, “**Payment Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Beijing and the China (Shanghai) Pilot Free Trade Zone.

*So long as the Bonds are entered in CCDC, each Payment Business Day shall mean a CCDC Business Day.*

**9. TAXATION**

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

Where such withholding or deduction is made by the Issuer for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by the PRC (including the China (Shanghai) Pilot Free Trade Zone) at a rate up and including the aggregate rate applicable on 25 November 2022 (the “**Applicable Rate**”), the Issuer will pay such additional amounts as will result in receipt by the Bondholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding by or within the PRC (including the China (Shanghai) Pilot Free Trade Zone) or any political subdivision or any authority therein or thereof having power to tax in excess of the Applicable Rate, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (i) **Other connection:** to a Holder (or to a third party on behalf of a Holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his PRC tax residency status or his having some connection with the PRC (including the China (Shanghai) Pilot Free Trade Zone) other than the mere holding of the Bond; or
- (ii) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days; or

- (iii) **Tax Declaration:** to a Holder (or to a third party on behalf of a Holder) who would not be otherwise liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been duly requested to make such a declaration or claim, such Holder fails to do so within any applicable period prescribed by such relevant tax authority.

References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 9.

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

Neither the Agents nor the Trustee shall be responsible for paying any tax, duty, charges, withholding or other payment in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Bondholders or any other person to pay such tax, duty, charges, withholding or other payment or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

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

## **10. EVENTS OF DEFAULT**

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

An **“Event of Default”** occurs if:

**(a) With Respect to the Issuer:**

**(i) Non-Payment**

there has been a failure to pay when due and payable (A) the principal or premium (if any) of the Bonds or (B) interest on any of the Bonds and such failure continues for a period of seven days; or

**(ii) Breach of Other Obligations**

the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed (other than those referred to in this Condition 10 or where

it gives rise to a right of redemption of such Bonds pursuant to Condition 7(c)), which default is (A) incapable of remedy or, (B) being a default which is capable of remedy and remains unremedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee; provided that if there has been a breach by the Issuer of its obligations to pre-fund any amount in respect of the Bonds in accordance with Condition 4(b) and such amount has subsequently been paid by the LC Bank following a drawing under the Standby Letter of Credit to or to the order of the Trustee and paid to holders of the Bonds, then such breach will not constitute an Event of Default under this Condition 10(a)(ii); or

**(iii) Cross-Default**

(A) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(a)(iii) have occurred in aggregate equals or exceeds U.S.\$20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against U.S. dollar as quoted by People's Bank of China on the day on which this Condition 10(a)(iii) operates); or

**(iv) Enforcement Proceedings**

a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 45 days; or

**(v) Security Enforced**

any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries on the whole or any material part of the assets of the Issuer or the relevant Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 45 days; or

**(vi) Insolvency**

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

**(vii) Winding-up**

an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries (except for the voluntary solvent winding-up or dissolution of such a Principal Subsidiary), or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except (A) for the purpose of and followed by a reconstruction, dissolution, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Bondholders, (B) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or any of its Subsidiaries, or (C) a disposal of or by a Principal Subsidiary on an arm's length basis where the proceeds (whether in cash or otherwise) from such disposal shall be transferred to or otherwise vested in the Issuer or any of its Subsidiaries or (D) the transfer of 50 per cent. shares of Chongqing Nancheng Water Co. Ltd. (重慶南城水務有限公司) without consideration to Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司), an entity controlled by Chongqing State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會); or

**(viii) Nationalisation**

(A) all or any material part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (B) the Issuer or any of its Principal Subsidiaries is prevented by any such person from exercising normal control over all or a material part of its undertaking, assets and revenues; or

**(ix) Authorisation and Consents**

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

**(x) Illegality**

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

**(xi) Standby Letter of Credit**

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

**(xii) Analogous Events**

any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(a)(iv) to 10(a)(xi) (both inclusive),



For the purpose of this Condition 10, “**Principal Subsidiary**” at any time shall mean one of the Issuer’s Subsidiaries:

(A) as to which one or more of the following conditions is/are satisfied:

- (aa) its revenue (or, in the case of one of the Issuer’s Subsidiaries which has one or more Subsidiaries, consolidated revenue) attributable to the Issuer is at least five per cent. of the consolidated revenue of the Issuer and its Subsidiaries; or
- (bb) its net profit (or, in the case of one of the Issuer’s Subsidiaries which has one or more Subsidiaries, consolidated net profit) attributable to the Issuer is at least five per cent. of the consolidated net profit of the Issuer and its Subsidiaries; or
- (cc) its total assets (or, in the case of one of the Issuer’s Subsidiaries which has one or more Subsidiaries, consolidated total assets) attributable to the Issuer are at least five per cent. of the consolidated total assets of the Issuer and its Subsidiaries;

all as calculated by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Issuer’s Subsidiary and the Issuer’s then latest audited consolidated financial statements, *provided that*: (1) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited financial statements of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until audited financial statements for the financial period in which the acquisition is made are published, be deemed to be a reference to the then latest audited financial statements of the Issuer and its Subsidiaries adjusted to consolidate the latest audited financial statements of such Subsidiary in such financial statements (consolidated in the case of such Subsidiary which itself has Subsidiaries); (2) if, in the case of a Subsidiary of the Issuer which itself has one or more Subsidiaries, no consolidated financial statements are prepared and audited, its consolidated revenue, total assets and net profits shall be determined on the basis of *pro forma* consolidated financial statements of the relevant Subsidiary and its Subsidiaries prepared for this purpose; or (3) if the financial statements of a Subsidiary of the Issuer (not being a Subsidiary referred to in (1) above) are not consolidated with those of the Issuer then the determination of whether or not the Subsidiary is a Principal Subsidiary shall, if the Issuer requires, be based on a *pro forma* consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements of the Issuer and its Subsidiaries; or

- (B) to which is transferred all or substantially all of the assets of a Subsidiary of the Issuer which immediately prior to the transfer was a Principal Subsidiary, provided that, with effect from such transfer, the Subsidiary which so transfers its assets and undertakings shall cease to be a Principal Subsidiary (but without prejudice to paragraph A above) and the Issuer's Subsidiary to which the assets are so transferred shall become a Principal Subsidiary.

A certificate in English signed by an Authorised Signatory as to whether or not a Subsidiary of the Issuer is a Principal Subsidiary shall be conclusive and binding on all parties in the absence of manifest error.

**(b) With Respect to the LC Bank:**

**(i) Cross-Default**

any other present or future Public External Indebtedness of the LC Bank or any LC Bank Subsidiary becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof, or any such Public External Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, provided that the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 10(b)(i) have occurred equals or exceeds U.S.\$30,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 10(b)(i) operates); or

**(ii) Insolvency**

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

**(iii) Winding-up**

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

**(iv) Illegality**

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

**(v) Analogous Events**

any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 10(b)(ii) to 10(b)(iv).

In this Condition 10(b):

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

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

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

**11. PRESCRIPTION**

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

**12. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER**

**(a) Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Standby Letter of Credit. Such a meeting may be convened by the Issuer or the Trustee, and shall be convened by the Trustee if so requested in writing by Bondholders holding not less than ten per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against any costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the aggregate principal amount of the Bonds held or represented unless the business of such meeting includes consideration of certain proposals, *inter alia*, (i) to modify the maturity date of the Bonds or the dates on which interest

is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution or (v) to modify or release the Standby Letter of Credit (other than an amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a further issue of bonds pursuant to Condition 15 or modification pursuant to Condition 12(b)), in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders, whether or not they were present at the meeting at which such resolution was passed.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Bondholders of not less than 75 per cent. in aggregate principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

**(b) Modification of these Conditions, the Trust Deed and the Standby Letter of Credit**

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of, or any of these Conditions or any of the provisions of the Trust Deed or the Standby Letter of Credit that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Standby Letter of Credit that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders; and (iii) any amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a future issue of bonds pursuant to Condition 15 to reflect the new aggregate principal amount of the Bonds following such issue. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, each such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders in accordance with Condition 16 as soon as practicable. The Trustee may request and conclusively rely upon an opinion of counsel concerning the compliance with the above conditions in respect of any waiver, modification and amendments.

**(c) Entitlement of the Trustee**

In connection with the performance and exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever the number) and, in particular but without limitation shall not have regard to the interests of, or be responsible for the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

### **13. ENFORCEMENT**

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

### **14. INDEMNIFICATION OF THE TRUSTEE**

Under the Trust Deed, the Trustee is entitled to be indemnified, secured and/or pre-funded to its satisfaction and to be relieved from responsibility in certain circumstances including without limitation provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Standby Letter of Credit and/or these Conditions and in respect of the Bonds and payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and to be paid its fees, costs, expenses, indemnity payments, and other amounts in priority to the claims of the Bondholders. In addition, the Trustee and its affiliates are entitled to (i) enter into business transactions with the Issuer, the LC Bank and/or any entity related (directly or indirectly) to the Issuer and/or the LC Bank and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer and any entity related to the Issuer; (ii) exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and each Agent may accept and shall be entitled to rely conclusively without liability to Bondholders, the Issuer, the LC Bank or any other person on any report, confirmation, information or certificate from or any opinion or advice of any lawyers, accountants, auditors, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert or professional advisers, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely conclusively on any such report, confirmation, information, certificate, opinion or advice and, in such event, such report, confirmation, information, certificate, opinion or advice shall be binding on the Issuer, the LC Bank and the Bondholders. Neither the Trustee nor any Agents shall be responsible or liable to the Issuer, the LC Bank, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, information, confirmation, certificate, opinion or advice.

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

None of the Trustee or the Agents shall have any obligation to monitor, or to take any steps to ascertain, compliance with the provisions of the Trust Deed, the Service Agreement, the Account Bank Agreement, the Standby Letter of Credit or these Conditions, or ascertain whether an Event of Default, a Potential Event of Default, a Pre-funding Failure or a Change of Control Event has occurred, and they shall not be liable to the Bondholders or any other person for not doing so.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Account Bank Agreement, the Standby Letter of Credit or these Conditions to exercise any discretion or power, take or refrain from any action, make any decision or give any direction or certification, the Trustee is entitled, prior to its exercising any such discretion or power, taking or refraining from taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarification of any such directions from the Bondholders by way of an Extraordinary Resolution or clarification of any directions, and the Trustee shall be entitled to rely conclusively on any such directions, certification or clarification and is not be responsible for any loss or liability incurred by the Issuer, the LC Bank, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from taking such action, making such decision, or giving such direction or certification as a result of seeking such directions or clarification from Bondholders or in the event that no such directions or clarification are received by the Trustee.

None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the LC Bank or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Bondholders. The Trustee shall be entitled to rely conclusively on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the LC Bank, and the Trustee shall not at any time have any responsibility or liability for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **15. FURTHER ISSUES**

The Issuer is at liberty from time to time without the consent of the Bondholders to create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects save for the date of issue, the first payment of interest on them and the timing for making of the NDRC Post-issue Filing) and so that the same shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further bonds issued pursuant to this Condition 15 and consolidated and forming a single series with the Bonds. However, such further bonds may only be issued if a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit represents an increase at least equal to the principal of and one interest payment due on such further bonds and any fees, costs, expenses, indemnity payments and all other amounts in connection with such issue (subject to a cap (if any) as agreed between the Issuer and the Trustee)); and such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. Any such further bonds shall be constituted by a deed supplemental to the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further, supplemental, replacement or amended standby letter of credit.



## **16. NOTICES**

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

*So long as the Bonds are centrally held by CCDC, notices to the Bondholders shall be validly given by the delivery of the relevant notice to CCDC, for communication by it to entitled accountholders in substitution for notification as required by these Conditions.*

## **17. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE (CAP 623)**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Ordinance (Cap 623).

## **18. CURRENCY INDEMNITY**

Renminbi is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Bonds, including damages. Any amount received or recovered in a currency other than Renminbi (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Bondholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the Renminbi amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Renminbi amount is less than the Renminbi amount expressed to be due to the recipient under any Bond, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 19, it will be sufficient for the Bondholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Bondholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bond or any other judgment or order.

## **19. GOVERNING LAW AND JURISDICTION**

### **(a) Governing Law**

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

**(b) Jurisdiction**

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Account Bank Agreement or the Standby Letter of Credit accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Trust Deed, the Account Bank Agreement or the Standby Letter of Credit (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Trustee irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

**(c) Agent for Service of Process**

The Issuer has irrevocably appointed Cogency Global (HK) Limited at its registered office currently at Unit B, 1/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong as its authorised agent in Hong Kong to receive service of process in any legal action or proceedings (including arbitration) arising out of or in connection with the Bonds, or the Trust Deed (“**Proceedings**”) in Hong Kong based on any of the Bonds. If for any reason Cogency Global (HK) Limited ceases to be such an agent of the Issuer for service of process in Hong Kong, the Issuer shall promptly appoint a new agent in Hong Kong to accept service of process and shall deliver to the Trustee and the Principal Agent a copy of the agent’s acceptance of that appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**(d) Waiver of Immunity**

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

## SUMMARY OF PROVISIONS RELATING TO THE BONDS HELD IN CCDC

*The Trust Deed and the Terms and Conditions contains provisions which apply to the Bonds while they are held in CCDC. The following is a summary of certain of those provisions.*

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

### **Promise to Pay**

The Issuer, for value received, promises to pay to CCDC on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Terms and Conditions may become repayable in accordance with the Terms and Conditions) the amount payable upon redemption under the Terms and Conditions in respect of the Bonds and to pay interest in respect of such Bonds from the date of issue in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Terms and Conditions, save that the calculation is made in respect of the aggregate principal amount of the Bonds outstanding, rounding the resulting figure to the nearest cent (half a cent being rounded upwards), together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions, in accordance with the Terms and Conditions. Each payment made by CCDC and the Custodian will be made to, or to the order of, the persons shown as holders in the books and records of CCDC at the close of business on the CCDC Business Day immediately prior to the date for payment in accordance with the rules of CCDC, where “**CCDC Business Day**” means a day (other than a public holiday of the PRC or prescribed by special regulations) upon which CCDC is operating.

### **Exchange of Bonds**

Owners of interests in the Bonds will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if (i) CCDC is closed for business for a continuous period of 14 business days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) the Service Agreement is terminated. Such exchange will be effected in accordance with the provisions of the Service Agreement, the Trust Deed and the regulations concerning the transfer and registration of the Bonds scheduled thereto and, in particular, shall be effected without charge to any holder of the Bonds, but against such indemnity and/or security as the Registrar or the relevant Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

### **Notices**

So long as the Bonds are held in CCDC, notices to the Bondholders shall be validly given by the delivery of the relevant notice to CCDC, for communication by it to entitled accountholders in substitution for notification as required by the Terms and Conditions and shall be deemed to have been given on the date of delivery to CCDC.

### **Bondholders’ Redemption**

The Bondholders’ redemption option in Condition 7(c) (*Redemption for Change of Control Event*) may be exercised by the entitled accountholder giving notice to the Principal Agent of the principal amount of the Bonds in respect of which the option is exercised within the time limits specified in the Terms and Conditions.

### **Issuer’s Redemption**

The Issuer’s redemption option in Condition 7(b) (*Redemption for Taxation Reasons*) shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Terms and Conditions.

**Transfers**

Transfers of beneficial interests in the Bonds must be in a Specified Denomination and will be effected through the records of CCDC in accordance with the rules and procedures of CCDC. Any transferee acquiring such interests in the Bonds will be required to have and maintain an account with CCDC.

**Cancellation**

Cancellation of any Bond by the Issuer following its redemption or purchase by the Issuer or its Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders, whereupon the Registrar shall procure the making of an appropriate entry on the Schedule hereto.

## **USE OF PROCEEDS**

The gross proceeds from the offering of the Bonds will be CNY266,000,000. The Issuer intends to use such gross proceeds for supplement of current capital.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness and total capitalisation of the Issuer as at 31 December 2021 on an actual basis and on an adjusted basis to give effect to the issue of the Bonds before deducting the underwriting fees and commissions and other estimated expenses payable in connection with this offering:

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

	<b>As at 31 December 2021</b>	
	<b>Actual</b>	<b>As adjusted</b>
	<b>(RMB)</b>	<b>(RMB)</b>
	<b>(audited)</b>	<b>(unaudited)</b>
	<i>(in thousands)</i>	
<b>Current indebtedness</b>		
Short-term borrowings . . . . .	1,051,500.0	1,051,500.0
Non-current liabilities due within one year . . . . .	3,898,922.9	3,898,922.9
Other current liabilities (interest-bearing portion) . . . . .	160,095.3	160,095.3
<b>Total current indebtedness . . . . .</b>	<b>5,110,518.2</b>	<b>5,110,518.2</b>
<b>Non-current indebtedness</b>		
Long-term borrowings . . . . .	4,863,022.0	4,863,022.0
Bonds payable. . . . .	1,557,728.2	1,557,728.2
Long-term payable (interest-bearing portion). . . . .	1,591,354.2	1,591,354.2
Bonds to be issued <sup>(1)</sup> . . . . .	—	266,000.0
<b>Total non-current indebtedness . . . . .</b>	<b>8,012,104.5</b>	<b>8,278,104.5</b>
<b>Total indebtedness<sup>(2)</sup> . . . . .</b>	<b>13,122,622.7</b>	<b>13,388,622.7</b>
<b>Total equity. . . . .</b>	<b>12,518,475.0</b>	<b>12,518,475.0</b>
<b>Total capitalisation<sup>(3)</sup>. . . . .</b>	<b>20,530,579.5</b>	<b>20,796,579.5</b>

Notes:

- (1) This amount represents the aggregate principal amount of the Bonds to be issued.
- (2) Total indebtedness equals to the sum of total current indebtedness and total non-current indebtedness.
- (3) Total capitalisation equals to the sum of total non-current indebtedness and total equity.

Except as otherwise disclosed above, there has been no material change in the consolidated capitalisation and indebtedness of the Group since 31 December 2021.



## DESCRIPTION OF THE LC BANK

*The information included below is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. The Group has taken reasonable care in the compilation and reproduction of the information. None of the Issuer, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates has independently verified such information. No representation or warranty, expressed or implied, is made or given by the Issuer, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon. The Issuer confirms that the information included below has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

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

### OVERVIEW

Evergrowing Bank is one of the 12 national joint-stock commercial banks (全國性股份制商業銀行) in the PRC. Evergrowing Bank is the successor of Yantai Housing Savings Bank (煙台住房儲蓄銀行), which was established in 1987 and restructured in 2003 with the approval of the PBOC. In 2019, Evergrowing Bank completed its shareholding reform and introduced several strategic investors, after which Central Huijin Investment Ltd. (中央匯金投資有限責任公司) has become its largest shareholder.

### Principal Business Lines

Evergrowing Bank operates its business lines primarily through three segments:

- *Corporate Banking.* Evergrowing Bank provides comprehensive financial products and services to its corporate banking customers, such as investment banking services, corporate deposits, corporate loans, bills, trade finance services and online services.
- *Retail Banking.* Evergrowing Bank offers retail banking customers individualised, diversified and networkbased financial products and services, such as personal deposits, credit card service, wealth management, personal loans and online services.
- *Financial Markets.* Evergrowing Bank's financial market business primarily consists of, among others, interbank market transactions, asset transaction services in respect of foreign exchanges, bonds and precious metals, asset management services and online financial assets trading services.

In recent years, Evergrowing Bank has received numerous accolades. In the “Top 1000 Global Banks 2021” list released by Evergrowing Banker magazine, Evergrowing Bank jumped 27 places from the previous year to 135th; ranked 5th in the Asian banking industry in the “Asian Banking Competitiveness Study” released by the Chinese University of Hong Kong; and won the “Best Mobile Banking Award”, “Online Finance Innovation Award” and “Best Financial Technology Innovation Application Award” in Evergrowing Banking Industry In the Internet Finance Innovation Awards organised by the China Internet Finance Alliance.

Guided by Xi Jinping’s thought of socialism with Chinese characteristics in the new era, Evergrowing Bank will always adhere to the leadership of the Communist Party of China, uphold the values of “with a constant heart, running a constant business and sharing a constant abundance (以恒心、辦恒業、共恒豐)”, take “building a first-class digital agile bank” as its vision, focus on the strategic direction of “solid foundation, excellent main business, bigger retail, stronger local, finer cost (“做實基礎、做優主業、做大零售、做強本土、做細成本”)), continuously improve corporate governance, continuously strengthen financial innovation, comprehensively enhance service capabilities, actively fulfil the mission of “upward mobility, goodness and beauty (向上、向善、向美)”, and strive to contribute more to the high-quality development of the economy and society.

## **GENERAL INFORMATION**

Evergrowing Bank’s headquarters is located at No. 8 Leyuan Street Lixia District, Jinan, Shandong Province, China. Its website address is: <https://www.hfbank.com.cn/>. Copies of Evergrowing Bank’s published audited consolidated financial statements, as well as its public filings, can be downloaded free of charge from the websites of Evergrowing Bank at <http://www.hfbank.com.cn/>. The audited consolidated financial statements of Evergrowing Bank are not included in and do not form part of this Offering Circular. Information contained on Evergrowing Bank’s website is subject to change from time to time and does not form part of this Offering Circular. No representation is made by the Issuer, the Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them and none of the Issuer, the Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them takes any responsibility for any information contained on Evergrowing Bank’s website.

## DESCRIPTION OF THE GROUP

### OVERVIEW

The Company is a key state-owned entity for infrastructure construction, investment and financing in the Banan District, Chongqing. Since its establishment in 2012, the Group has played an important role in the urban development, and social and economic advancement of the Banan District by undertaking a number of strategically important urban infrastructure construction and public facilities improvement projects. The Company is also a major water supplier in the Banan District.

Chongqing, together with Beijing, Shanghai and Tianjin, is one of the four municipalities that are under direct administration of the central government of the PRC, and is the only municipality among the four in Western China. It is designated as one of the five national central cities (國家中心城市) together with Beijing, Shanghai, Tianjin and Guangzhou. Chongqing is the only transportation hub that is accessible by river, railway and air transportation in Western China. According to the Work Report of Chongqing Municipal Government in 2022 (2022年重慶市人民政府工作報告), the western land-sea corridor (西部陸海新通道), of which Chongqing serves as the key logistic hub, reaches 107 countries and 315 ports worldwide as at 31 December 2021, making Chongqing a leading city along the Yangtze River Economic Belt (長江經濟帶).

Chongqing has been involved in various government initiatives. Chongqing is the starting station of the “Chongqing-Xinjiang-Europe” railway (渝新歐鐵路) in China, which runs across a number of countries from Western China, Eastern Asia to Europe, such as Kazakhstan, Russia, Poland and Germany, playing a key role in implementing the PRC Government’s “One Belt, One Road” strategy. As part of the third batch of government-endorsed pilot free trade zone, China (Chongqing) Pilot Free Trade Zone (中國(重慶)自由貿易試驗區) serves as a major pivot connecting the inner region of China with foreign countries. Moreover, in April 2018, the PRC Government and the Singapore government launched their third government-to-government project, namely, China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (關於建設中新(重慶)戰略性互聯互通示範項目的實施協議), which further deepens the collaboration of Chongqing and Singapore. Being part of the Chengdu-Chongqing Dual-City Economic Zone (成渝雙城經濟區) which is located at the intersection linking the “Belt and Road” and the Yangtze River Economic Belt (長江經濟帶), Chongqing has been positioned as a major hub for advanced modern services including logistics and high technology product industries. According to the Work Report of Chongqing Municipal Government in 2021 (2021年重慶市人民政府工作報告), Chongqing Municipal Government intends to continue strengthening Chongqing’s significant role in advancing the development of the western region in China, promoting the PRC Government’s “One Belt, One Road” initiative and ecological development of the Yangtze River Economic Belt (長江經濟帶).

Chongqing has historically been a notable industrial hub in Western China with an established and solid foundation of manufacturing industry. Modern heavy machinery (including automotive manufacturing, construction equipment and power generation equipment), chemical and pharmaceutical as well as electronics and information technology manufacturing are three major industries of Chongqing. In recent years, the Chongqing Municipal Government has begun to develop Chongqing into the economic and financial centre of the upper reach of the Yangtze River. Chongqing has six state-level economic development zones and three special customs supervision zones. According to Statistical Communique on National Economic and Social Development of Chongqing in 2021 (2021年重慶市國民經濟和社會發展統計公報) (“**2021 Statistical Communique of Chongqing**”), in 2021, the import and export volume of Chongqing reached approximately US\$800.1 billion, and the actual use of foreign capital reached approximately US\$10.7 billion. With superior investment environment, Chongqing attracts many well-known multinational companies to establish branch offices. According to 2021 Statistical Communique of Chongqing, as at 31 December 2021, 312 Fortune 500 companies had set up their branch offices in Chongqing.

The Group's principal business segments are as follows:

- *Infrastructure Construction.* The Group is the key entity engaged in infrastructure construction business in the Banan District. Entrusted by the Banan District Government, the Group has undertaken a series of infrastructure construction projects within the Banan District, including the construction of roads, highways and other municipal infrastructures. The Group's infrastructure construction business is mainly conducted by its subsidiary, namely Chongqing Banan Highway Construction Co., Ltd. (重慶市巴南公路建設有限公司). As at 31 December 2021, the Group had completed 17 infrastructure construction projects and had 11 infrastructure construction projects under development.
- *Land Development.* The Group is the key entity undertaking land development projects in the Banan District. Entrusted by the Banan District Government, the Group conducts its land development business mainly through its subsidiary, namely Chongqing Banan Highway Construction Co., Ltd. Land development activities generally involve land levelling, demolition, land requisition compensation and resettlement of indigenous residents. As at 31 December 2021, the Group had nine land development projects under development with a total estimated investment amount of approximately RMB5,385.2 million.
- *Relocation Housing Development.* The Group is the key entity undertaking relocation housing development projects in Banan District. Entrusted by relevant state-owned enterprises in the Banan District, the Group conducts its relocation housing development business mainly through its subsidiary, namely Chongqing Bayuan Construction Investment Co., Ltd. (重慶巴源建設投資有限公司). Over the years, the Group has undertaken a number of key relocation development housing development projects in Banan District. As at 31 December 2021, the Group had completed eight relocation housing development projects and had three relocation housing development projects under development.
- *Water Supply.* The Group is authorised by the Water Resources Bureau of Chongqing Banan District (重慶市巴南區水利局) as a main running water supplier and water supply facility operator in the Banan District, Chongqing. The Group's water supply business primarily involves water supply and water supply facilities construction and operation. The Group conducts its water supply business through its wholly-owned subsidiary Chongqing Yujiang Water Co., Ltd. (重慶渝江水務公司).
- *Security Services.* The Group conducts security services business primarily through its wholly-owned subsidiary Chongqing Banan Security Services Co., Ltd. (重慶巴南保安服務有限公司). The Group's security services offer a variety of security service solutions, including gate security service, escorting service, and security patrol service.
- *Commercial Trading.* The Group conducts commercial trading business primarily through a subsidiary of the Company, namely Chongqing Banan Education Development Co., Ltd. (重慶市巴南教育發展有限公司). The Group's commercial trading business is mainly involved in the sale of food products, such as rice, flour and edible oil, to middle schools of Banan District, supplying such essentials to cafeterias of the schools.
- *Other Business.* The Group also engages in other businesses to support its principal business, including installation and maintenance of pipelines, leasing and designated driving service business.

For the years ended 31 December 2019, 2020 and 2021, the total operating revenue generated from the Group's business operation was approximately RMB2,040.6 million, RMB3,118.8 million, and RMB2,583.1 million, respectively. As at 31 December 2019, 2020 and 2021, total assets of the Group were approximately RMB26,957.0 million, RMB31,138.2 million, and RMB32,829.7 million, respectively.

## **COMPETITIVE STRENGTHS**

The Group believes that the following strengths are important to its success and future development.

### **The key infrastructure construction entity with proven track record and important strategic presence in the Banan District that has extensive experience and strong presence in urban development**

The Group is the key infrastructure construction entity in the Banan District that engages in land development and infrastructure construction, and has played a key role in implementing the Chongqing Municipal Government's blueprint for urban development. Over the years, the Group has undertaken and completed a large number of strategically important urban development projects in the Banan District. See "*Description of the Group's Business*" for more details with respect to the urban development projects conducted by the Group. By undertaking these projects, the Group has accumulated extensive experience and achieved a proven track record, and thus establishing its strong presence in the Banan District. For the years ended 31 December 2019, 2020 and 2021, operating income generated from urban development related businesses including land development, infrastructure construction and water supply was approximately RMB1,750.2 million, RMB1,492.4 million and RMB1,406.3 million, respectively, representing 85.8 per cent., 47.9 per cent. and 54.4 per cent., respectively, of the Group's total operating income for the same periods. Leveraging its platform and presence in the Banan District, the Group believes that it is well positioned to grow in this market.

### **Well-positioned to leverage the significant future development potential of the Banan District to achieve business growth**

The Group focuses on urban development in the Banan District, one of the nine districts in the main city of Chongqing, which is situated in the southern part of Chongqing. The Group believes that the excellent geographic location of Chongqing and the Banan District with social and economic development potential and strategic importance have supported and will continue to support the business development of the Group.

Due to its convenient location, Chongqing is the only transportation hub that is accessible by river, railway and air transportation in Western China. As a leading city along the Yangtze River Economic Belt, Chongqing has experienced significant economic growth in the past few years. According to 2021 Statistical Communique of Chongqing, Chongqing achieved a GDP of approximately RMB2,789.4 billion in 2021, representing a growth rate of 8.3 per cent. as compared to 2020. As one of the metropolitan areas planned by the Chongqing Municipal Party Committee and Chongqing Municipal Government, the Banan District is the city's logistics center, comprehensive hub and important gateway for external development. The Banan District has also been positioned as a high-end manufacturing industries agglomeration area, an ecological barrier area for the main city, and a habitable zone for new population in the future. According to Statistical Communique on National Economic and Social Development of Chongqing Banan District in 2021 (2021年重慶市巴南區國民經濟和社會發展統計公報), in 2021, the Banan District has achieved a GDP of approximately RMB96.3 billion representing a growth rate of 8.3 per cent. as compared to 2020. The stable economic growth in the Banan District over the past few years has driven the demand for urban development such as land development and infrastructure construction, which are two of the principal activities of the Group, and this has contributed to the growth of the Group's business operations.

With strong support and favorable policies from the government such as “Banan District Smart City Special Plan (2018-2025)” (巴南區智慧城市專項規劃(2018-2025)), the Banan District has presented and will continue to present great development potentials. As the key infrastructure construction entity for urban development in the Banan District, the Group believes that such great development potentials has brought and will continue to bring significant business opportunities to the Group.

### **Strong support from the Company’s sole shareholder**

As the key land development and infrastructure construction entity in the urban development of the Banan District, the Company has been directly and wholly owned by the Banan SAMC and ultimately controlled by the Chongqing Banan District Government. The Chongqing Banan District Government has provided favourable policies, business opportunities, capital and asset injections and subsidies to the Company over the past few years. See “– *History and Development*” for more details with respect to the capital received by the Company. For the years ended 31 December 2019, 2020 and 2021, the government grant received by the Group amounted to RMB108.6 million, RMB85.0 million, and RMB158.7 million, respectively. The strong and continued support from the Chongqing Banan District Government greatly increased the business stability and comprehensive competitiveness of the Group, which in turn contributes to the future growth of the Group.

The support that the Company receives from the Chongqing Banan District Government does not include assuming any obligation to repay any payments under the Bonds or the Trust Deed or providing guarantee of any kind in respect of the Bonds. See the risk factors in the section entitled “*Risk Factors – Risks Relating to the Bonds*”.

### **Sufficient capital from diversified financing channels and healthy debt ratio**

The Group funds its project development through various financing channels, such as bank loans and debt securities. Over the years, the Group has cultivated relationships with a number of reputable commercial banks and financial institutions in the PRC, providing a solid foundation for the Group to access capital. As at 31 December 2021, the Group had total credit facilities of approximately RMB9,754.8 million, of which approximately RMB2,740.7 million had not been utilised. The Group also leverages its financial performance and credibility to access direct financing from capital markets through issuing debt securities within the PRC. The Group carefully manages the duration of its indebtedness to ensure its liquidity and sustainable funding. The Group believes that it will continue to have access to sufficient capital to support its business operations and expansions in the future.

### **Robust risk management mechanism**

The Group has instituted a comprehensive and prudent risk management system which centrally monitors major risks involved in various business operations at the Group level, consisting primarily of five divisions:

- *Board of Directors*: it generally holds regular meetings for risk management to identify internal risks and management status so as to make decisions and policies regarding important risk management issues.
- *Senior Management*: it generally makes collective deliberations and decisions on important projects and formulates preliminary opinions in preparation for final approval.
- *Front Office*: it generally conducts due diligence and risk analysis on major projects and performs follow-up checks.



- *Middle Office*: it is generally responsible for conducting compliance check, supervising capital allocation status and monitoring revenue recognition and financing channels.
- *Back Office*: it is generally responsible for audit supervision.

### **Sound corporate governance with experienced senior management team and quality employees**

The Group has established a sound corporate governance structure. The Group has set up an internal management framework to oversee different aspects of the Group's daily operations. As the beneficial owner of the Group, the Banan SAMC participates in and closely monitors the Group's decision-making process for key projects and determines the Group's development strategy and investment plans. In addition, the Banan SAMC appoints and conducts periodical appraisals on the directors of the Group and review monthly financial information of the Group. The Group has adopted a commercially driven approach to manage its business operations. The directors and senior management personnel of the Group have extensive experience in the operation and management of relevant industries of the Group's businesses and are supported by quality employees. See "*Directors, Supervisors and Senior Management of the Company*" for more details. Over the years, the Group has maintained a skilled and well-trained employee team. With an experienced management team and quality employees, the Group has been able to achieve efficient management.

## **BUSINESS STRATEGIES**

The Group intends to focus on the following business strategies.

### **Continue to focus on its principal businesses to realise a sustainable growth**

The Group plans to continue to focus on infrastructure construction, land development, relocation housing development, water supply, security services, and commercial trading. As an important state-owned assets operation platform as well as a major developer of the Banan District, the Group has established a strong presence in its principal businesses through participating and successfully delivering a series of urban development projects which also generated a significant amount of operating revenue for the Group. Furthermore, considering the Banan District's continuous urbanisation, relatively solid economic growth, and upgrade of citizens' living standards, the corresponding needs for better municipal construction will continue to increase. Leveraging the development of the Banan District and Chongqing, the Group will strengthen its advantages and enhance competitiveness in its principal businesses and strive to maintain a sustainable growth in the long run.

### **Continue to diversify the Group's business portfolio and cultivate new business that synergies with the Group's core business**

While focusing on infrastructure construction, land development, relocation housing development, water supply, security services, and commercial trading as its principal businesses, the Group also engages in certain other businesses. The Group also plans to continue to diversify its business portfolio and to expand into industries that will provide synergies with the Group's primary business. The Group believes that this will further strengthen its competitiveness and further improve its business and financial performance to achieve substantial growth.

### **Continue to diversify the Group's funding channels**

The Group has established a prudent financing structure where it obtains financing through bank facilities and capital markets. The Group plans to explore additional funding resources, such as accessing new markets to issue debt securities, and diversify its financing channels with the vision to further optimising its financing structure. The Group believes a diversified financing structure is able to improve its financial stability and secure funding on more favourable terms, which in turn can strengthen its capability to manage and operate state-owned assets.

### **Continue to strengthen risk management and corporate governance**

In order to maintain a steady and sustainable development of its key business, the Group plans to continue improving its risk management and corporate governance. The Group intends to further optimise its decision-making procedures and business protocols to better suit the Group's rapid growth. In particular, the Group plans to strengthen its financial control policies and procedures to ensure financial stability. The Group also plans to strengthen its human resources management and optimise its performance evaluation and incentive mechanisms. The Group expects that such efforts may help the Group to better attract and retain talents and form a multi-layered talent base. In addition, the Group plans to further improve its utilisation of information technology for internal management and risk control, so that its internal management procedures, business efficiency, corporate governance and risk control may be further strengthened.

## **RECENT DEVELOPMENT**

### **Quarterly Results as at and for the nine Months Ended 30 September 2022**

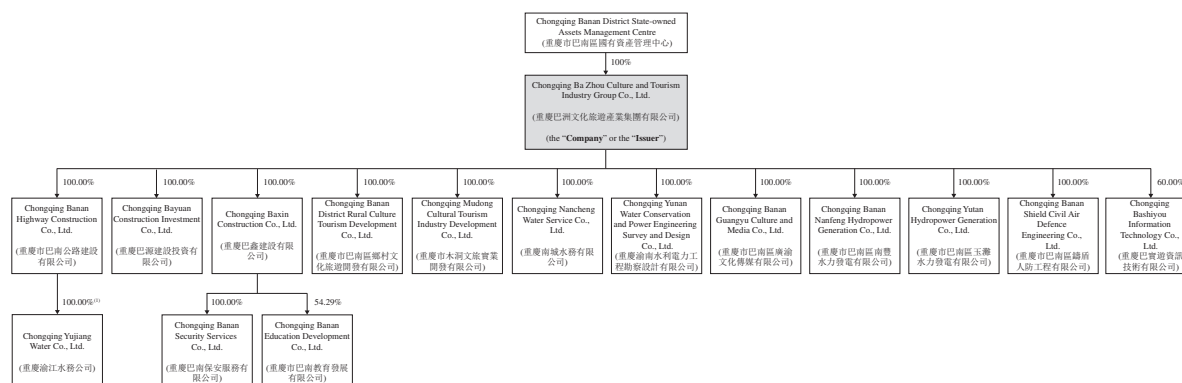
As at 30 September 2022, as compared to the financial information as at 31 December 2021, the Group's other current assets decreased, primarily due to the decreased term deposit certificate. The Group's deferred tax assets decreased, primarily due to the decreased provision for impairment of receivables. The Group's short-term borrowings increased, primarily due to the increased guarantee borrowings. The Group's notes payable increased, primarily due to the increased acceptance of commercial bills. The Group's contract liabilities increased, primarily due to the increased advance payment of resettlement houses. The Group's other payables increased, primarily due to the increased fund flows with government units. The Group's other current liabilities increased, primarily due to the increased short-term financial leasing amount. The Group's long-term borrowings increased, primarily due to the increased guarantee borrowings. The Group's long-term payables increased, primarily due to the increased financial leasing amount. The Group's other non-current liabilities increased, primarily due to the increased amount for advance payment of construction projects. The Group's minority interest decreased, primarily due to the loss of the Group's subsidiaries.

For the nine months ended 30 September 2022, as compared to the same period in the preceding year, the Group experienced decreases in operating revenues, operating profit, total profit and net profit, primarily due to the long settlement period for its infrastructure construction projects in the first half of 2022. The Group experienced increases in selling expenses and administrative expenses, primarily due to the increased employee salaries as a results of adding of five new subsidiaries in the Group's consolidated financial statements. The Group experienced decreases in other revenues and non-operating revenues primarily due to the payment period for government grants. The Group experienced decreases in investment revenues primarily due to the decrease of investment returns obtained during the period of holding held-for-sale financial assets. The Group experienced decreases in assets impairment loss primarily due to the increase of provision loss. The Group experienced net cash outflows from financing activities primarily due to the increase of cash payments for debts.

Potential investors should note, in particular, that the Group's financial information as at and for the nine months ended 30 September 2022 is derived from the Company's management accounts and has not been audited or reviewed by independent auditors. As such, the Group's financial information as at and for the nine months ended 30 September 2022 has not been set out in detail in this Offering Circular and does not form part of this Offering Circular and potential investors should not rely on such financial information in their evaluation of the financial condition of the Group and in making their investment decisions. The aforementioned financial information as at and for the nine months ended 30 September 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022 or any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations. See *“Risk Factors – Risks Relating to the Group's Business – Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular”*. None of the Joint Lead Managers, the Trustee or the Agents nor any of their respective directors, officers, employees, representatives, agents, advisers, affiliates and any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy of the Group's financial information as at and for the nine months ended 30 September 2022 or the sufficiency of such financial information for an assessment of the Group's financial condition and results of operation.

## CORPORATE STRUCTURE

The following chart presents a simplified corporate structure of the Group as at the date of this Offering Circular:



Note:

- (1) Chongqing Banan Highway Construction Co., Ltd. indirectly holds 100.00% equity interests in Chongqing Yujiang Water Co., Ltd. through its wholly-owned subsidiary.

## HISTORY AND DEVELOPMENT

In April 2013, the Company's precedent, Chongqing Balu Construction Investment Co., Ltd. (重慶市巴路建設工程投資有限公司), was established by Chongqing Banan Construction (Group) Co., Ltd. (重慶市巴南建設(集團)有限公司) as a state-owned limited liability company. As at the date of this Offering Circular, the Company has a registered capital of RMB1.0 billion.

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

Year	Milestone Event
2012 . . . . .	The Company's precedent, Chongqing Balu Construction Investment Co., Ltd., was established by Chongqing Banan Construction (Group) Co., Ltd. as a state-owned limited liability company. The Company had an initial registered capital of RMB1,000.0 million and a paid-in capital of RMB10.0 million.
2013 . . . . .	<p>With the approval of Banan District Government, Banan SAMC (previously known as Chongqing Banan District State-owned Assets Administration Office (重慶市巴南區國有資產管理辦公室)) acquired 100 per cent. of equity interest owned by Chongqing Banan Construction (Group) Co., Ltd. in the Company with the consideration of RMB10.0 million. After the equity transfer, Banan SAMC became the sole shareholder of the Company.</p> <p>The Company's name was changed to Chongqing Babing Construction Co., Ltd. (重慶巴濱建設有限公司).</p>
2020 . . . . .	<p>With the approval of Banan District Government, 100 per cent. of the equity interests in Chongqing Banan Highway Construction Co., Ltd. (重慶市巴南公路建設有限公司) and Chongqing Bayuan Construction Investment Co., Ltd. (重慶巴源建設投資有限公司) were transferred to the Company with no consideration. In addition, the Company's name was changed to Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (重慶巴洲文化旅遊產業集團有限公司).</p> <p>The Company's paid-in capital was increased to RMB110.0 million.</p>
2021 . . . . .	The Company's paid-in capital was increased to RMB610.0 million.

## RELATIONSHIP WITH THE BANAN SAMC, THE BANAN DISTRICT GOVERNMENT, AND THE CHONGQING MUNICIPAL GOVERNMENT

As at the date of this Offering Circular, with 100.00 per cent. of its equity interests directly held by the Banan SAMC, a government organ of the Banan District Government, the Company is ultimately controlled by the Chongqing Banan District Government. As a state-owned company in the Banan District of Chongqing City, the Group has extensive connections with other entities directly or indirectly controlled by the Banan District Government or the Chongqing Municipal Government. For example, 50 per cent. of total shares of the Group's two subsidiaries, namely Chongqing Yujiang Water Co., Ltd. (重慶渝江水務公司) and Chongqing Nancheng Water Co. Ltd. (重慶南城水務有限公司) are planned to be transferred to Chongqing Water Conservancy Investment Group Co., Ltd (重慶市水利投資(集團)有限公司), which is controlled by Chongqing State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會) without consideration. The Group has been commissioned by the Banan District Government, the Banan District Government and other local governmental entities and agencies to participate in numerous urban development projects. The Group plays an important role in the urban development and social and economic advancement of Banan District.

Notwithstanding the Group's extensive relationships with the Banan SAMC, the Banan District Government, the Chongqing Municipal Government and other entities they control, the various social and community functions performed by the Group and the financial support received by the Group, the Company is not part of any government. It is operationally and financially separated from the Banan SAMC, the Banan District Government and the Chongqing Municipal Government. Its functions and departments are separated from those of the government and does not share any premises with the Banan SAMC, the Banan District Government or the Chongqing Municipal Government. The directors and the senior management of the Company are not government officers. The Company has its own budget and financial reporting system, and its assets and liabilities are separated from those of the Banan SAMC, the Banan District Government and the Chongqing Municipal Government. The Banan SAMC, as the sole shareholder of the Company, is only responsible for the liability of the Company up to the limit of its capital contributions to the Company. None of the Banan SAMC, the Banan District Government, the Chongqing Municipal Government or any other PRC governmental entity has any payment or other obligations under the Bonds or the Trust Deed, and they will not provide guarantee of any kind for the Bonds. The Bondholders do not have any recourse against the Banan SAMC, the Banan District Government, the Chongqing Municipal Government or any other PRC governmental entities in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Company, and the obligations of the Company under the Bonds shall solely be fulfilled by the Company as an independent legal person. Investments in the Bonds are on the credit risk of the Company, rather than that of the Banan SAMC, the Banan District Government, the Chongqing Municipal Government or any other PRC governmental entity. In the event that the Company does not fulfil its obligations under the Bonds, investors will only be able to claim as an unsecured creditor against the Company and its respective assets, and not any other person, including the Banan SAMC, the Banan District Government, the Chongqing Municipal Government, nor any other PRC governmental entities.

This position has been reinforced by Circular 23, Circular 706 and Circular 666. However, neither of these Circulars prohibits the PRC Government from providing support (in various forms including capital injection and subsidies, but excluding injecting any kinds of public assets and land reserves as the Group's assets) to the Group in its ordinary course of business in compliance with PRC laws and regulations. The detailed description of the relationships among the Company and the Banan SAMC, the Banan District Government and the Chongqing Municipal Government in this Offering Circular does not imply in any way any explicit or implicit credit support of the Banan SAMC, the Banan District Government or the Chongqing Municipal Government in respect of the Bonds, the repayment of which remains the sole responsibility of the Company. See also the risk factors entitled "*A reduction or discontinuance of government support could materially and adversely affect the Group's business, financial condition, results of operations and prospects*" and "*The Banan SAMC, the Banan District Government and the Chongqing Municipal Government can exert significant influence over the Group, and may not act in the best interests of the Group*" in the section entitled "*Risk Factors – Risks Relating to the Group and Its Business*".

## **DESCRIPTION OF THE GROUP'S BUSINESS**

### **Overview**

The Company is a key state-owned entity for infrastructure construction, investment and financing in the Banan District. Since its establishment in 2012, the Group has played an important role in the urban development, and social and economic advancement of the Banan District by undertaking a number of strategically important urban infrastructure construction and public facilities improvement projects. The Company is also a major water supplier in the Banan District.

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

	Years ended 31 December					
	2019		2020		2021	
	Amount (RMB millions)	per cent. of total	Amount (RMB millions)	per cent. of total	Amount (RMB millions)	per cent. of total
Infrastructure Construction . . . . .	867.2	42.5	39.2	1.3	1,110.9	43.0
Land Development . . . . .	820.2	40.2	1,388.7	44.5	221.9	8.6
Relocation Housing Development . . .	–	–	1,343.0	43.1	862.3	33.4
Water Supply . . . . .	62.8	3.1	64.6	2.1	73.5	2.8
Security Services . . . . .	159.9	7.8	154.3	4.9	156.4	6.1
Commercial Trading . . . . .	48.5	2.4	37.4	1.2	50.4	2.0
Other Business . . . . .	81.9	4.0	91.7	2.9	107.6	4.1
<b>Total Operating Revenue . . . . .</b>	<b>2,040.6</b>	<b>100.0</b>	<b>3,118.8</b>	<b>100.0</b>	<b>2,583.1</b>	<b>100.0</b>

For the years ended 31 December 2019, 2020 and 2021, the total operating revenue generated from the Group's business operation was approximately RMB2,040.6 million, RMB3,118.8 million, and RMB2,583.1 million, respectively. As at 31 December 2019, 2020 and 2021, total assets of the Group were approximately RMB26,957.0 million, RMB31,138.2 million, and RMB32,829.7 million, respectively.

## Infrastructure Construction

### Overview

The Group is the key entity engaged in infrastructure construction business in Banan District. Entrusted by the Banan District Government, the Group has undertaken a series of infrastructure construction projects within Banan District, including the construction of roads, highways and other municipal infrastructures. The Group's infrastructure construction business is mainly conducted by its subsidiary, namely Chongqing Banan Highway Construction Co., Ltd. (重慶市巴南公路建設有限公司). As at 31 December 2021, the Group had completed 17 infrastructure construction projects and had 11 infrastructure construction projects under development. For the years ended 31 December 2019, 2020 and 2021, operating revenue generated from the infrastructure construction business was approximately RMB867.2 million, RMB39.2 million and RMB1,110.9 million, respectively, representing 42.5 per cent., 1.3 per cent. and 43.0 per cent., respectively, of the Group's total operating revenue for the same periods.

### Business Model

The Group's infrastructure construction projects are generally conducted using the agent construction model, under which details of such projects (such as the contract value, coverage of early-stage costs, financial expenses, etc., and the scope of work) are generally set out in a Government Procurement Agreement (政府採購協議) between the Group and the commissioning government agency. The Group is typically responsible for the planning, design and construction of the infrastructure construction projects. Upon the completion, inspection and acceptance of the infrastructure construction projects, the Group is generally entitled, pursuant to the agreement with the commissioning government agency, to a payment equal the project costs incurred (including early-stage costs, financial expenses, etc.) and a premium at a pre-fixed percentage of such costs, which is usually 10 to 25 per cent. of the total investment amount of such projects. At the end of each year, the Banan District Government will issue a Project Completion Progress Confirmation Letter (項目完工進度確認單) (the "Confirmation Letter"), which determines the premium of each infrastructure project for each year, and the Group will then recognise relevant income and costs based on the Confirmation Letter.



## Project Description

### Completed Projects

As at 31 December 2021, the Group had completed 17 infrastructure construction projects with a total investment of approximately RMB8,939.4 million. The particulars of the Group's ten largest completed infrastructure construction projects, in terms of total investment, are set forth below:

Project	Year of commencement	Year of completion	Total investment (RMB in millions)
Binjiang Road Phase II (濱江路二期) . . . . .	2010	2014	3,134.8
Highway Project (公路項目) . . . . .	2011	2015	2,454.9
Forest & Tourism Project (森林及旅遊項目) . . . . .	2011	2015	1,012.3
Municipal Project (市政工程) . . . . .	2011	2014	795.5
Education & Environmental Project (教育環保項目) . .	2010	2014	648.2
Approach Road to Buddha's Ear Rock Marina (Phase I) (佛耳岩碼頭進港道路(一期)) . . . . .	2016	2019	400.8
Hongguang Lijiawan No. 7 Municipal Road (First Bid) (紅光李家灣7號市政道路(一標)) . . . . .	2016	2020	196.2 <sup>(1)</sup>
Hongguang Lijiawan No. 8 Municipal Road (Second Bid) (紅光李家灣8號市政道路(二標)) . . . . .	2016	2019	
Lijiatuo Bridge Section Shoreline Improvement Project (李家沱大橋段岸線整治工程) . . . . .	2015	2016	62.2
Waqing Road (瓦青路) . . . . .	2019	2019	60.0
<b>Total</b> . . . . .			<b>8,764.9</b>

Note:

- (1) Represents the combined estimated investment amount of Hongguang Lijiawan No. 7 Municipal Road (First Bid) and Hongguang Lijiawan No. 8 Municipal Road (Second Bid).

### Projects under Construction

As at 31 December 2021, the Group had 11 infrastructure construction projects under construction with a total estimated investment of approximately RMB4,100.4 million. The particulars of five largest infrastructure construction projects under construction, in terms of total estimated investment, are set forth below:

Project	Year of commencement	Expected year of completion	Total estimated investment <sup>(1)</sup> (RMB in millions)
Banan District Residential Environment Improvement Construction Project (Phase I) (巴南區人居環境整治 建設項目(一期)) . . . . .	2019	2026	1,552.0
Hengyi Road (橫一路) . . . . .	2016	2023	
Lijiazuo One Hour Interchange Project (李家沱一小時 換乘項目) . . . . .	2016	2023	191.3 <sup>(2)</sup>
East Hot Spring Raojing Road Extension Freight Access Project (東溫泉繞景路延長段貨運通道工程) . . . . .	2019	2022	99.0
Forest Park Ring Road (森林公園環線道路) . . . . .	2020	2022	82.9
<b>Total</b> . . . . .			<b>1,925.2</b>

Notes:

- (1) Represents the estimated total cost to be incurred for the project. The actual cost incurred upon completion may differ from the estimation.
- (2) Represents the combined estimated investment amount of Hengyi Road and Lijiazuo One Hour Interchange Project.

## Land Development

### Overview

The Group is the key entity undertaking land development projects in Banan District. Entrusted by the Banan District Government, the Group conducts its land development business mainly through its subsidiary, namely Chongqing Banan Highway Construction Co., Ltd. Land development activities generally involve land levelling, demolition, land requisition compensation and resettlement of indigenous residents. As at 31 December 2021, the Group had nine land development projects under development with a total estimated investment amount of approximately RMB5,385.2 million. For the years ended 31 December 2019, 2020 and 2021, operating revenue generated from the land development business was approximately RMB820.2 million, RMB1,388.7 million and RMB221.9 million, respectively, representing 40.2 per cent., 44.5 per cent. and 8.6 per cent., respectively, of the Group's total operating revenue for the same periods.

### Business Model

Entrusted by the Banan District Government, the Group is responsible for land levelling, demolition, land requisition compensation, resettlement of indigenous residents and other necessity services carrying out to the implementation of the land development project within designated regions in Banan District. Upon completion of the land development work, the Group will hand over the parcel of land to Chongqing Banan Land Integration and Reserve Centre (重慶市巴南區土地整治和儲備中心) and the land parcel will be transferred by way of public bidding, auction and listing in accordance with relevant land transfer provisions and procedures of Chongqing Land Trading Centre (重慶市土地交易中心). After the successful transfer of land parcel, the Group will be entitled to a payment equal the project costs incurred (including development costs, financial expenses, etc.) and a premium at a pre-fixed percentage of such costs, which is usually five to ten per cent. of the total investment amount of such projects.

### Projects under Development

As at 31 December 2021, the Group had nine land development projects under development with a total estimated investment amount of approximately RMB5,385.2 million. The particulars of these land development projects under development as at 31 December 2021 are set forth as below:

Projects	Site Area	Total Estimated Investment <sup>(1)</sup>
	(mu)	(RMB in millions)
South Spring Functional Area (Ref. A16-3) (南泉功能區 (編號:A16-3)) . . . . .	151.7	339.0
Yi Pin (Ref: B02-01) (一品(編號:B02-01)) . . . . .	796.8	1,264.6
Nan Peng (Ref: B06-2) (南彭(編號:B06-2)) . . . . .	909.2	167.6
Boundary Stone West P Division T18-1/02, T18-2/03, T18-3/03, T19-1/03, T19-2/03, T20-2/03, T20-6/03 (界石西區P分區 T18-1/02、T18-2/03、T18-3/03、T19-1/03、T19-2/03、T20-2/03、T20-6/03) . . . . .	366.0	1,220.4
Huaxi Street K13-14/03 (Parcel B, Binjiang Area), Huaxi Street K12-10/03 (Parcel B, Binjiang Area) (花溪街道K13-14/03(濱江片區B地塊)、花溪街道K12-10/03(濱江片區B地塊)) . . . . .	104.6	162.2
The Three Stones and Yuen's Yard Plots at Sacred Lamp Hill (聖燈山三塊石及袁家院子地塊). . . . .	308.5	246.8

Projects	Site Area	Total Estimated Investment <sup>(1)</sup>
	(mu)	(RMB in millions)
Zhongba Island (中壩島) . . . . .	268.8	215.1
Peach Blossom Island (桃花島) . . . . .	5,536.6	1,661.0
Sacred Lamp Hill Town Woodland Area (聖燈山鎮林海片區) . . .	135.8	108.6
<b>Total</b> . . . . .	<b>8,577.9</b>	<b>5,385.2</b>

*Note:*

(1) Represents the estimated total cost the Group would incur for the project based on the Group's internal records.

### *Projects under Planning*

As at 31 December 2021, the Group had six land development projects under planning with a total estimated investment amount of approximately RMB4,133.3 million. The particulars of these land development projects under planning as at 31 December 2021 are set forth as below:

Projects	Site Area	Total Estimated Investment <sup>(1)</sup>
	(mu)	(RMB in millions)
Shuangzhai Hill Area (Ref: B02-02) (雙寨山片區(編號:B02-02)) .	806.3	803.6
East Hot Spring Land Parcel (Ref: A09-01) (東溫泉地塊 (編號:A09-01)) . . . . .	331.8	271.3
Fengsheng (Ref: B01-1/02) (豐盛(編號:B01-1/02)) . . . . .	822.9	846.8
Huimin (Ref: B05-2) (惠民(編號:B05-2)) . . . . .	887.3	1,348.2
Anlan Land Parcel (Ref: B16-4) (安瀾地塊(編號:B16-4)) . . . . .	388.7	515.1
Shuanghekou Town (Yanglu Area) (Ref: B6-1/01) (雙河口鎮 (羊鹿片區)(編號:B6-1/01)) . . . . .	286.4	348.1
<b>Total</b> . . . . .	<b>3,523.2</b>	<b>4,133.3</b>

## **Relocation Housing Development**

### *Overview*

The Group is the key entity undertaking relocation housing development projects in Banan District. Entrusted by relevant state-owned enterprises in Banan District, the Group conducts its relocation housing development business mainly through its subsidiary, namely Chongqing Bayuan Construction Investment Co., Ltd. (重慶巴源建設投資有限公司). Over the years, the Group has undertaken a number of key relocation housing development projects in Banan District. As at 31 December 2021, the Group had completed eight relocation housing development projects and had three relocation housing development projects under development. For the years ended 31 December 2019, 2020 and 2021, operating revenue generated from the relocation housing development business was approximately nil, RMB1,343.0 million and RMB862.3 million, respectively, representing nil, 43.1 per cent. and 33.4 per cent., respectively, of the Group's total operating revenue for the same periods.

## Business Model

The Group is mainly entrusted by relevant state-owned enterprises in Banan District to carry out relocation housing development projects within designated regions in Banan District. The Group is responsible for the whole process of the relocation housing development projects, including financing, management, coordination, etc. The Group generally undertakes the construction work by itself or outsources such construction work to third party construction contractors. Upon completion of a relocation housing development project, the Group will enter into a sales contract with the commissioning party and the Chongqing Banan Land Requisition Affairs Centre (重慶市巴南區徵地事務中心), under which the Chongqing Banan Land Requisition Affairs Centre will coordinate the sales process between the Group and the party commissioning the relocation housing projects. Upon inspection and acceptance of a relocation housing development project, the Group will deliver the whole project to the commissioning party and recognise its revenue accordingly.

## Completed Projects

As at 31 December 2021, the Group had completed eight relocation housing development projects with a total investment amount of approximately RMB3,406.8 million. The particulars of these completed relocation housing development projects as at 31 December 2021 are set forth as below:

Projects	Construction Period	Saleable Area	Sold Area	Total Investment
		(sq.m.)		(RMB in millions)
Spring Dawn at Woodside (樵坪春曉) . . . .	2015-2018	28,867.2	18,114.1	622.7
Bagui Court (巴桂苑) . . . . .	2016-2018	70,913.2	68,281.1	505.7
Feng Hua Kang Cheng (鳳華康城) . . . . .	2012-2015	5,521.9	2,125.8	531.6
Yunshui Court (雲水苑) . . . . .	2014-2017	151,657.3	136,202.6	1,206.1
Hexijia Court (和熙佳苑) . . . . .	2015-2015	8,206.3	5,456.8	82.4
Fengzhu Court (鋒竹苑) . . . . .	2013-2015	8,090.5	4,031.0	209.1
Lily Garden (百合佳園) . . . . .	2013-2016	92,129.6	66,536.3	202.7
Longyuan Community (龍源小區) . . . . .	2012-2015	10,057.0	10,057.0	46.5
<b>Total</b> . . . . .	—	<b>680,381.0</b>	<b>456,165.8</b>	<b>3,406.8</b>

## Projects under Development

As at 31 December 2021, the Group had three relocation housing development projects under development with a total estimated investment amount of approximately RMB2,891.3 million. The particulars of these relocation housing development projects under development as at 31 December 2021 are set forth as below:

Projects	Site Area	Total Estimated Investment <sup>(1)</sup>
	(sq.m.)	(RMB in millions)
Chun Sen Waterfront (春森水岸) . . . . .	13,555	144.7
Shuanghejia Court (雙河佳苑) . . . . .	5,005	117.1
Vocational Education City Resettlement Housing (職教城安置房) . . . . .	105,444	2,629.5
<b>Total</b> . . . . .	<b>124,004</b>	<b>2,891.3</b>

Note:

(1) Represents the estimated total cost the Group would incur for the project based on the Group's internal records.

## Water Supply

### Overview

The Group is authorised by the Water Resources Bureau of Chongqing Banan District (重慶市巴南區水利局) as the main running water supplier and water supply facility operator in the Banan District, Chongqing. The Group's water supply business primarily involves water supply and water supply facilities construction and operation. The Group conducts its water supply business through its wholly-owned subsidiary Chongqing Yujiang Water Co., Ltd. (重慶渝江水務公司).

For the years ended 31 December 2019, 2020 and 2021, operating revenue from the Group's water supply business was RMB62.8 million, RMB64.6 million and RMB73.5 million, respectively, representing 3.1 per cent., 2.1 per cent. and 2.8 per cent., respectively, of the Group's total operating revenue for the same years.

### Business Model

The Group's water supply business mainly involves the extraction of raw water from water sources, purification of raw water to produce running water and distribution and sales of running water to end-users. The main water source of the Group's running water is Daqiaogou Reservoir (搭橋溝水庫), Nanhu Reservoir (南湖水庫), Longgang Reservoir (龍崗水庫), and Fengyan Reservoir (豐岩水庫). As at 31 December 2021, the Group supplied water to 85,018 household users and 13,330 commercial users, operating water supply pipelines of approximately 3,213 kilometres. For the years ended 31 December 2019, 2020 and 2021, the Group's annual productive capacity of clean water was approximately 2,652 tons, 3,110 tons, and 3,125 tons, respectively.

Prices charged for water are determined by the local government agency through public hearings, taking into account the overall cost and the economic capacity of the average citizen to afford their usage of water. The table below sets out the cost and profit details of the Group's water supply business for the years indicated:

	For the years ended 31 December		
	2019	2020	2021
	(RMB yuan)		
Unit Total Cost. . . . .	2.91	2.99	3.03
Unit Average Selling Price . . . . .	3.01	3.05	3.05
Unit Net Profit. . . . .	0.10	0.06	0.02

## Security Services

### Overview

The Group conducts security services business primarily through its wholly-owned subsidiary Chongqing Banan Security Services Co., Ltd. (重慶巴南保安服務有限公司). The Group's security services offer a variety of security service solutions, including gate security service, escorting service, and security patrol service.

For the years ended 31 December 2019, 2020 and 2021, operating revenue generated from the Group’s security services was approximately RMB159.9 million, RMB154.3 million, and RMB156.4 million, respectively, representing 7.8 per cent., 4.9 per cent., and 6.1 per cent., respectively, of the Group’s total operating revenue for the same years.

**Business Model**

The Group’s security services are customized based on client needs and specific conditions. Details of security services are generally set out in security service contracts entered into between the Group and its clients. Under the security service contracts, the Group generally dispatches security personnel to workplaces designated by its clients in return for service fees, which are determined with reference to a number of factors, such as types of services, service scope, labour costs and other costs incurred by the Group. The clients are generally obliged to pay the service fee by month. The Group generates profits from the differences between the labour costs it pays to security personnel and the service fees it receives from its clients.

**Commercial Trading**

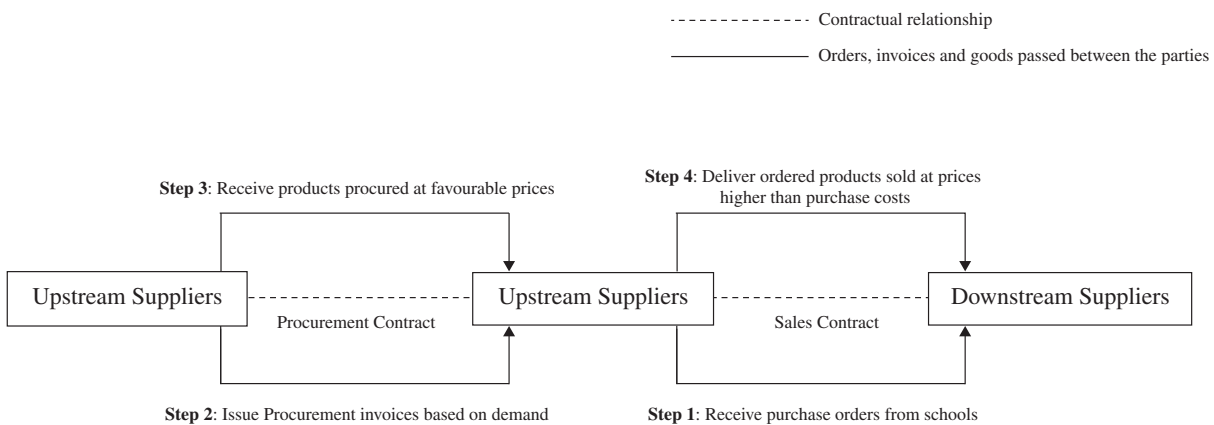
**Overview**

The Group conducts commercial trading business primarily through a subsidiary of the Company, namely Chongqing Banan Education Development Co., Ltd. (重慶市巴南教育發展有限公司) The Group’s commercial trading business is mainly involved in the sale of food products, such as rice, flour and edible oil, to middle schools of Banan District, supplying such essentials to cafeterias of the schools.

For the years ended 31 December 2019, 2020 and 2021, operating revenue generated from the Group’s commercial trading business was approximately RMB48.5 million, RMB37.4 million, and RMB50.4 million, respectively, representing 2.4 per cent., 1.2 per cent., and 2.0 per cent., respectively, of the Group’s total operating revenue for the same years.

**Business Model**

The Group conducts its commercial trading business using a “demand-driven” business model where procurement is based on actual downstream buyer demand rather than a forecast. The following diagram illustrates the business model of the Group’s commercial trading business:





The Group enters into procurement contracts with selected suppliers to acquire rice, flour and edible oil at desired prices, and enters into sales contracts with downstream buyers, which are local middle schools, for the sale of such products. The sales contracts typically stipulate the products to be sold, cooperation term and each parties' rights and obligations thereunder. The Group is generally responsible for supplying the agreed products, storage, processing, delivery and providing after-sale services; whereas the buyers are required to pay for the goods within 30 days upon delivery under the sales contract. The Group generates profits from the pricing discrepancies between the procurement contracts and sales contracts.

### ***Major Suppliers***

The Group entered into various procurement contracts with various suppliers. For the years ended 31 December 2019, 2020 and 2021, purchases made by the Group from its top three largest suppliers, which are Banan Xiaohui Grain and Oil Wholesale Store (巴南區小輝糧油批發部), Chongqing Red Dragonfly Junhui Grain and Oil Co., Ltd. (重慶紅蜻蜓君惠糧油有限責任公司) and Chongqing Yujiao Kemao Group Co., Ltd. (重慶渝教科貿集團有限公司) in aggregate amounted to approximately RMB5.1 million, RMB3.1 million, and RMB1.7 million, respectively, representing 15.9 per cent., 9.7 per cent., and 5.3 per cent. of the Group's total purchases, respectively.

### ***Major Customers***

For the years ended 31 December 2019, 2020 and 2021, sales income generated from the Group's top three largest customers, which are Chongqing Mudong Middle School (重慶市木洞中學), Chongqing Banan Middle School (重慶市巴南中學), and Chongqing Tsinghua High School (重慶市清華中學) in aggregate amounted to approximately RMB3.5 million, RMB2.8 million, and RMB1.7 million, respectively, representing 16.3 per cent., 13.0 per cent., and 7.7 per cent. of the Group's total sales, respectively.

### ***Other Business***

The Group also engages in other businesses to support its principal business, including installation and maintenance of pipelines, leasing and designated driving service business. For the years ended 31 December 2019, 2020 and 2021, operating revenue generated from the Group's other business was approximately RMB81.9 million, RMB91.7 million, and RMB107.6 million, respectively, representing 4.0 per cent., 2.9 per cent., and 4.1 per cent., respectively, of the Group's total operating revenue for the same years.

## **ENVIRONMENT MATTERS**

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

## **INSURANCE**

The Group maintains insurance policies, which the Group believes to be consistent with the relevant law and industry and business practice in the PRC. The Group maintains insurance coverage in the types that it believes are commensurate with its risk of loss and industry practice. Consistent with what the Group believes to be customary practice in the PRC, it does not carry any business interruption insurance, key-man insurance or insurance covering potential environmental damage claims. Such insurance is not mandatory under the laws and regulations of the PRC, and such insurance is either unavailable in the PRC or requires substantial cost.

## **EMPLOYEES**

As at 31 December 2021, the Company had approximately 126 full-time employees, 73 of which hold bachelor's degree or above. In accordance with the applicable regulations of local governments in regions where the Group has business operations, the Group makes contributions to its employee's social insurance, including the statutory pension plan, medical insurance, unemployment insurance, maternity insurance and workers' compensation insurance. The amount of contributions is based on the specified percentages of employees' aggregate salaries as required by relevant PRC authorities. The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group provides annual bonuses to employees. The Group enters into an employment contract with each of its employees in accordance with applicable PRC laws. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

## **GOVERNMENTAL REGULATIONS AND LICENSES**

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

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

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

## **LEGAL PROCEEDINGS**

From time to time, the Company, together with its subsidiaries, may be involved in legal proceedings or other disputes in the ordinary course of its business. See also "*Risk Factors – Risk Relating to the Group and Its Business – The Group may be involved in disputes, legal and other proceedings arising out of its operations from time to time and may face significant liabilities as a result*".

As at the date of this Offering Circular, the Group is not aware of any legal proceedings, claims, disputes, penalties or liabilities currently pending or threatened against the Group that may have a material adverse change on its business, financial condition or results of operations.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### DIRECTORS

The board of directors of the Company (the “**Board**”) consists of nine members, including one chairman of the Board, two employee representative directors and six directors. The term of service for the directors is three years. The primary responsibilities of the Board include, without limitation, (i) reporting to the shareholders; (ii) implementing the Company’s shareholder resolutions; (iii) determining operation and investment plans of the Company; (iv) formulating annual financial budget and financial accounts of the Company; (v) formulating the profit distribution and deficit-covering schemes of the Company; (vi) formulating schemes relating to the increase or reduction of registered capital of the Company and the issuance of bonds or other securities of the Company; (vii) formulating proposals on major acquisition, spinoffs, restructuring or dissolutions of the Company; (viii) formulating the Company’s internal management structure; (ix) determining the hiring or dismissing of the Company’s general manager, determining the hiring or dismissing of the Company’s deputy general managers and finance controller based on the recommendations made by the general manager as well as formulating the salary of the Company’s general manager, deputy general managers and finance controller; and (x) formulating the Company’s fundamental management system.

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

Name	Age	Position/Title
Mr. ZHENG Liang (鄭亮) . . . . .	43	Chairman of the Board and general manager
Mr. YU Lixin (余立新) . . . . .	54	Director and deputy general manager
Mr. JING Wu (敬武) . . . . .	56	Director and deputy general manager
Mr. AI Jianchun (艾建春) . . . . .	56	Director
Ms. ZHU Di (朱荻) . . . . .	51	Director and deputy general manager
Mr. DENG Huican (鄧輝燦) . . . . .	39	Director and deputy general manager
Mr. CHEN Guangyan (陳光焱) . . . . .	47	Employee representative director
Ms. TU Jin (涂進) . . . . .	38	Employee representative director

**Mr. ZHENG Liang (鄭亮)**, aged 43, has been the chairman of the Board and the general manager of the Company since February 2021. Mr. Zheng previously served as a deputy director of Chongqing Banan District Urban-Rural Construction Committee (重慶市巴南區城鄉建設委員會), and an executive director and the general manager of Chongqing Bayuan Construction Investment Co., Ltd. (重慶巴源建設投資有限公司). Mr. Zheng has obtained a master’s degree in Engineering.

**Mr. YU Lixin (余立新)**, aged 54, has been a director and a deputy general manager of the Company since October 2019. Mr. Yu previously served as the head of Discipline Inspection Group (紀檢組) of Chongqing Banan District Disabled Persons Federation (重慶市巴南區殘疾人聯合會), a deputy general manager of Chongqing International Biological City Development and Investment Co., Ltd. (重慶國際生物城開發投資有限公司), and an executive director and the general manager of Chongqing Mudong Culture and Tourism Industry Development Co., Ltd. (重慶木洞文旅實業開發有限公司). Mr. Yu has obtained a bachelor’s degree.

**Mr. JING Wu (敬武)**, aged 56, has been a director and a deputy general manager of the Company since October 2019. Mr. Jing previously served as the general manager of Chongqing Logistics Base Construction Co., Ltd. (重慶物流基地建設有限公司), and an executive deputy general manager of Chongqing Yuxing Construction Investment Co., Ltd. (重慶市渝興建設投資有限公司) and Chongqing International Biological City Development and Investment Co., Ltd. (重慶國際生物城開發投資有限公司). Mr. Jing has obtained a bachelor's degree.

**Mr. AI Jianchun (艾建春)**, aged 56, has been a director of the Company since March 2011. Mr. Ai previously served as a deputy section chief of Water Resources Section (水利科) of Banan District Agricultural Machinery, Water and Electricity Bureau (巴南區農機水電局), the section chief of Channel Section (河道科) of Banan District Agricultural Machinery, Water and Electricity Bureau, and the general manager of Fish Cave Levee Company (魚洞防洪堤公司). Mr. Ai has obtained a bachelor's degree.

**Ms. ZHU Di (朱荻)**, aged 51, has been a director and a deputy general manager of the Company since February 2021. Ms. Zhu previously served as an office director of Chongqing Banan District Committee Party School (重慶市巴南區區委黨校), a deputy director of Development and Construction Administrative Committee of Chongqing Banan Economic Industrial Zone (重慶市巴南區經濟園區開發建設管理委員會), and a deputy general manager of Chongqing Banan Economic Industrial Zone Construction Industrial Co., Ltd. (重慶巴南經濟園區建設實業有限公司). Ms. Zhu has obtained a diploma's degree.

**Mr. DENG Huican (鄧輝燦)**, aged 39, has been a director and a deputy general manager of the Company since January 2015. Mr. Deng previously served as a sales manager of CNG Branch (CNG分公司) of Chongqing Gas Compressor Factory Co., Ltd. (重慶氣體壓縮機廠有限責任公司), a director-general (部長) of Finance Department (財務融資部) of Chongqing Highway Logistics Base Construction Co., Ltd. (重慶公路物流基地建設有限公司). Mr. Deng was also in charge of General Affair Department (綜合部) and previously served as a director-general of Project Review Department (項目審核部) of Chongqing Southern Xincheng Industry Investment Group Co., Ltd. (重慶市南部新城產業投資集團有限公司). Mr. Deng has obtained a bachelor's degree.

**Mr. CHEN Guangyan (陳光焱)**, aged 47, has been an employee representative director of the Company since February 2021. Mr. Chen previously engaged in finance and financing work in several companies, including Chongqing Qingjiang Machinery Factory (重慶慶江機器廠), Chongqing Dajiang Industry (Group) (重慶大江工業(集團)), Chongqing Changan Suzuki Automobile Co., Ltd. (重慶長安鈴木汽車有限公司) and Chongqing Banan Highway Construction Co., Ltd. (重慶市巴南公路建設有限公司). Mr. Chen has obtained a bachelor's degree.

**Ms. TU Jin (涂進)**, aged 38, has been an employee representative director of the Company since February 2021. Ms. Tu previously served as a deputy director-general of General Affair Department and an employee representative supervisor of Chongqing Banan Highway Construction Co., Ltd. Ms. Tu has obtained a bachelor's degree.

## SUPERVISORS

The board of supervisors of the Company consists of five members, including one chairman, two employee representative supervisors and two supervisors. The term of service for the supervisors is three years. The primary responsibilities of the board of supervisors include, without limitation, (i) monitoring the financials of the Company; (ii) overseeing conducts of the Company's directors and senior management personnel in performing their duties and making recommendations of dismissing the Company's directors and senior management personnel acting in contravention of laws, regulations, articles of association or the shareholder's resolutions; and (iii) requesting the Company's directors and senior management personnel to put in place remedial measures in circumstances where their conduct undermines the Company's interests.

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

Name	Age	Position/Title
Ms. LI Bing (李冰)	49	Chairman of the board of supervisors
Ms. LIU Xia (劉霞)	37	Supervisor
Ms. YANG Xi (楊曦)	37	Supervisor
Mr. ZHAO Wang (趙望)	38	Employee representative supervisor
Ms. LI Jiangyuan (李江媛)	49	Employee representative supervisor

**Ms. LI Bing (李冰)**, aged 49, has been the chairman of the board of supervisors of the Company since October 2020. Ms. Li previously served as a deputy director of Banan District Nanquan Town Finance Office (巴南區南泉鎮財政所), a deputy director of Banan District State Assets Office (巴南區國資辦), and a deputy general manager of Chongqing Banan Highway Construction Co., Ltd. Ms. Li has obtained a bachelor's degree.

**Ms. LIU Xia (劉霞)**, aged 37, has been a supervisor of the Company since August 2021. Ms. Liu also serves as a deputy director-general of General Affair Department of the Company. Ms. Liu previously worked in Guangzhou Zige Information Technology Co., Ltd. (廣州市姿格資訊技術有限公司) and Chongqing Vocational Education City Company (重慶職教城公司). Ms. Liu also previously served as a deputy director-general of General Affair Department of Chongqing Banan Highway Construction Co., Ltd. Ms. Liu has obtained a bachelor's degree.

**Ms. YANG Xi (楊曦)**, aged 37, has been a supervisor of the Company since August 2021. Ms. Yang also serves as a deputy director-general of Finance Department of the Company. Ms. Yang previously served as an officer of Asset Management Department (資產經營部) of Chongqing Banan Highway Construction Co., Ltd., the interim head of Chongqing Ruizhou Construction Investment Co., Ltd. (重慶瑞洲建設投資有限公司), and a deputy director-general of General Affair Department of Chongqing Banan Highway Construction Co., Ltd. Ms. Yang has obtained a bachelor's degree.

**Mr. ZHAO Wang (趙望)**, aged 38, has been an employee representative supervisor of the Company since February 2021. Mr. Zhao previously served as a deputy director-general of Investment Promotion and Planning Department (招商規劃部), Shuangzhai Mountain Project Department (雙寨山項目部), Planning and Development Department (規劃發展部) and Southern Region Project Department (南部片區項目部) of Chongqing Banan Highway Construction Co., Ltd., an interim head as well as an executive deputy general manager of Mudong Culture and Tourism Company (木洞文旅公司). Mr. Zhao has obtained a bachelor's degree.

**Ms. LI Jiangyuan (李江媛)**, aged 49, has been an employee representative supervisor of the Company since April 2020. Ms. Li previously served as an office director and a secretary of the board of directors of Runkang Pharmaceutical (潤康藥業) and Herun Group (和潤集團), a planning assistant of Shenzhen Mingtian (深圳明天), and the business director of China Life (中國人壽). Ms. Li has obtained a diploma's degree.

## SENIOR MANAGEMENT

The senior management of the Company mainly consists of six members, one of whom is general manager, five of whom are deputy general managers. The general manager shall be appointed or dismissed by the Board. The term of service for the general manager is three years. The primary responsibilities of the general manager include, without limitation, (i) managing the Company's production and operations and implementing resolutions passed by the Board; (ii) implementing the Company's annual operation plans and investment plans; (iii) establishing policies relating to the Company's internal management structure; (iv) establishing the Company's fundamental management system; (v) formulating the Company's specific regulations; (vi) making recommendations as to the hiring or dismissing of the Company's deputy managers and finance controller; (vii) the appointment or dismissal of management personnel other than those hired or dismissed under the authority of the Board; and (viii) fulfilling other duties and responsibilities granted by the Board.

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

Name	Age	Position/Title
Mr. ZHENG Liang (鄭亮) . . . . .	43	Chairman of the Board and general manager
Mr. YU Lixin (余立新) . . . . .	54	Director and deputy general manager
Mr. JING Wu (敬武) . . . . .	56	Director and deputy general manager
Mr. AI Jianchun (艾建春) . . . . .	56	Director and deputy general manager
Ms. ZHU Di (朱荻) . . . . .	51	Director and deputy general manager
Mr. DENG Huican (鄧輝燦) . . . . .	39	Director and deputy general manager

**Mr. ZHENG Liang (鄭亮)**, aged 43, has been the chairman of the Board and the general manager of the Company since February 2021. For Mr. Zheng's biography, see "– Directors" above.

**Mr. YU Lixin (余立新)**, aged 54, has been a director and a deputy general manager of the Company since October 2019. For Mr. Yu's biography, see "– Directors" above.

**Mr. JING Wu (敬武)**, aged 56, has been a director and a deputy general manager of the Company since October 2019. For Mr. Jing's biography, see "– Directors" above.

**Mr. AI Jianchun (艾建春)**, aged 56, has been a director and a deputy general manager of the Company since March 2011. For Mr. Ai's biography, see "– Directors" above.

**Ms. ZHU Di (朱荻)**, aged 51, has been a director and a deputy general manager of the Company since February 2021. For Ms. Zhu's biography, see "– Directors" above.

**Mr. DENG Huican (鄧輝燦)**, aged 39, has been a director and a deputy general manager of the Company since January 2015. For Mr. Deng's biography, see "– Directors" above.



## PRC LAWS AND REGULATION

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

### MAIN REGULATORY AUTHORITIES AND CONTENTS OF SUPERVISION

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

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

### MAJOR LAWS AND REGULATIONS

#### Regulation on Fiscal Debts of Local Governments

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

On 21 September 2014, Circular 43 was promulgated by the State Council. Circular 43 aims at regulating the financing system of local government and three channels are presented. In accordance with Circular 43, financing platforms shall no longer serve the fiscal financing functions nor incur new government debts. Public interest projects may be funded by the government through issuing government bonds, since the new Budget Law of the PRC, which took effect on 29 December 2018, empowers local governments to issue government bonds, and public interest projects with income generated, such as city infrastructure construction, may be operated independently by social investors or jointly by the government and social investors through the establishment of special purpose companies.

Social investors or such special purpose companies shall invest in accordance with market-oriented principles and may be funded by, among other market-oriented approaches, bank loans, enterprise bonds, project revenue bonds and asset-backed securitisation. Social investors or the special purpose companies shall bear the obligation to pay off such debts and the government shall not be liable for any of the social investors' or special purpose companies' debts. Circular 43 also sets forth the general principles of dealing with existing debts of financing platforms. Based on the auditing results of such debts run by the local governments, the existing debts that should be repaid by the local governments shall be identified, reported to State Council for approval, and then included in the budget plan of local governments.

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

### **Regulation on the Issuance of Foreign Bonds**

Pursuant to NDRC Circular, which was promulgated by NDRC and became effective on 14 September 2015, where domestic enterprises, overseas enterprises controlled by a domestic enterprise or their overseas branches issue foreign debts, which are debt instruments of not less than one year that are denominated in domestic currency or foreign currency with the capital repaid and interest paid as agreed, including bonds issued overseas and long and medium-term international commercial loans, the enterprises shall apply to NDRC for dealing with the formalities of record-filing and registration before issuance. NDRC shall decide to accept it or not within five working days upon the receipt of the application and provide the Record-filing and Registration Certification of Issuance of Foreign Debts by Enterprises within seven working days after acceptance. The enterprises shall submit the issuance information to NDRC within 10 working days of the end of issuance each time.

### **Regulation on the Agency Construction**

On 16 November 2004, the Ministry of Construction published the “*Pilot Measures for the Administration of Construction Projects*” (建設工程項目管理試行辦法) (the “**Pilot Measures**”), which became effective on 1 December 2004. The Pilot Measures provides for stipulations with regard to the carrying out of management activities for construction projects in the PRC. According to the Pilot Measures, project management enterprises shall possess one or more qualifications such as project inspection, design, construction, supervision, cost consultancy, invitation for tender agency, etc. The owner of construction projects can choose project management enterprises by public tender or other methods, and shall sign

agency contract with the chosen project management enterprise in writing. Where project inspection enterprises, design enterprises and supervision enterprises, etc., undertake the roles of management as well as project inspection, design and supervision (within its scope of qualification) for the same construction project at the same time, those enterprises shall be chosen through public tender if required by the relevant laws and regulations. Construction enterprises shall not engage in both project management and project construction for the same project.

### ***Qualification of Construction Enterprises***

In accordance with the Construction Law of the People's Republic of China (中華人民共和國建築法) amended by Standing Committee of the National People's Congress (the "SCNPC") on 22 April 2011 and became effective on 1 July 2011 and last amended on 23 April 2019, Regulations on Qualification Management of Construction Enterprises (建築業企業資質管理規定) promulgated by MOHURD on 22 January 2015 which became effective on 1 March 2015 and last amended on 13 September 2016, Detailed Rules of Regulations on Qualification Management and Implementing Opinions of Qualification Standard of Construction Enterprises (建築業企業資質管理規定和資質標準實施意見) issued by MOHURD on 31 January 2015 and became effective on 1 March 2015 and last amended on 16 January 2020, Criterion for Qualification of Construction Enterprises (建築業企業資質標準) promulgated by MOHURD on 6 November 2014 which became effective on 1 January 2015 and last amended on 14 October 2016, and Criterion for Premium Qualification of Construction General Contracting Enterprises (施工總承包企業特級資質標準) issued by MOC on 13 March 2007 and became effective on the same date, Provisions on the Management of Survey and Design Qualification of Construction Projects (建設工程勘察設計資質管理規定) promulgated by MOC on 26 June 2007 which became effective on 1 September 2007 and last amended on 1 September 2016, Detailed Rules of Provisions on the Management of Survey and Design Qualification of Construction Projects (建設工程勘察設計資質管理規定實施意見) issued by MOC on 21 August 2007 and became effective on the same date and last amended on 16 June 2016, Provisions on Qualification Management of Project Supervision Enterprises (工程監理企業資質管理規定) promulgated by MOC on 26 June 2007 and became effective on 1 August 2007 and last amended on 13 September 2016, Detailed Rules of Provisions on Qualification Management of Project Supervision Enterprises (工程監理企業資質管理規定實施意見) issued by MOC on 31 July 2007 and became effective on the same date and last amended on 16 June 2016, as well as other relevant laws and regulations, enterprises engaging in the business of construction, survey, design and supervision of construction projects may only carry out construction activities within the scope of their qualification grade certificates.

In accordance with the Regulations on Qualification Management of Construction Enterprises (建築業企業資質管理規定), construction enterprises shall apply for their qualifications according to their assets, professionals, projects completed, and technical equipment. Qualifications of construction enterprises include the qualification of general contractor, the qualification of professional contractor and the qualification of construction labour service.

Any enterprise that has obtained the qualification of a general contractor may enter into a contract to undertake general contracting work for the whole project or main works. The enterprise undertaking the general contracting work may carry out the whole construction project by itself or subcontract the work other than the main work or the labour service to other construction enterprises that have requisite qualifications.

Any enterprise that has obtained the qualification of a professional contractor may undertake the professional work subcontracted by the general contractor or the professional work contracted by a construction unit. A professional contracting enterprise may carry out construction by itself or subcontract the labour service work to a labour service enterprise that has the corresponding qualification.

## ***Bidding and Tendering Management***

Bidding and tendering of various construction projects have been provided in the Bidding and Tendering Law of the People's Republic of China (中華人民共和國招標投標法) promulgated by the SCNPC on 30 August 1999 which became effective on 1 January 2000 and last amended on 27 December 2017, Regulation on the Implementation of the Bidding and Tendering Law of the People's Republic of China (中華人民共和國招標投標法實施條例) promulgated by State Council on 20 December 2011 which became effective on 1 February 2012 and last amended on 2 March 2019, Measures for the Construction Bidding and Tendering of Construction Projects (工程建設項目施工招標投標辦法) jointly promulgated by NDRC, MOC, MOR, MOT, Ministry of Information Industry of the People's Republic of China, Ministry of Water Resources of the People's Republic of China, and Civil Aviation Administration of China in 8 March 2003 which became effective on 1 May 2003 and last amended on 11 March 2013, Administrative Measures for the Bidding and Tendering of Design of Construction Projects (建築工程設計招標投標管理辦法) issued by MOHURD on 24 January 2017 and became effective on 1 May 2017 Administrative Measures for the Bidding and Tendering of Housing Construction and Municipal Infrastructure Work (房屋建築和市政基礎設施工程施工招標投標管理辦法) issued by MOHURD on 28 September 2018 and became effective on the same date and revised on 13 March 2019, and Administrative Measures for the Bidding and Tendering of Highway Engineering Construction (公路工程建設項目招標投標管理辦法) promulgated by MOT on 8 December 2015 which became effective on 1 February 2016.

In accordance with the Bidding and Tendering Law of the People's Republic of China (中華人民共和國招標投標法), certain types of projects shall go through bidding processes during phases, including project survey, design, construction, supervision and procurement of the essential equipment and materials relating to the project construction. Such projects include projects relating to social public interests and public security, including large infrastructure and utilities; projects invested by using state-owned fund or financed by the government in whole or in part; projects using loans or aid funds of international organisations or foreign government, etc.

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

In accordance with the Bidding and Tendering Law of the People's Republic of China (中華人民共和國招標投標法) and Measures for the Construction Bidding and Tendering of Construction Projects (中華人民共和國招標投標法實施條例), if any project that shall undergo bidding as required by law fails to go through the bidding process, or the items subject to bidding are broken up into pieces or the bidding requirement is otherwise evaded, the relevant administrative supervision department shall order rectification within a specified period, and may impose a fine of 0.5 per cent. up to 1 per cent. of the contract amount of the project. For projects using the state-owned funds in whole or in part, the project approval authority may suspend the implementation of the project or suspend the fund appropriation, and impose punishment on the person direct in charge of the entity or other person directly liable. Further, in accordance with the provisions of the Interpretations of the Supreme People's Court on Issues of Law Application during the Trial of Construction Contracts for Building Projects (最高人民法院關於審理建設工程施工合同糾紛案件適用法律問題的解釋(一)) issued by the Supreme People's Court on 29 December 2020 and became effective on 1 January 2021, if any project that is required to undergo a bidding process fails to go through the bidding process or the bid award is invalid, the construction contract for building projects shall become invalid.

## ***Quality Management***

Laws and regulations on project quality mainly include Construction Law of the People's Republic of China, Regulation on Quality Management of Construction Projects (建設工程質量管理條例) issued by the State Council on 30 January 2000 and became effective on the same date and last amended on 23 April 2019, Administrative Measures for Quality Management of Construction Project Survey (建設工程勘察質量管理辦法) amended by MOHURD on 1 April 2021 and became effective on the same date, Measures for the Administration of Quality Warranty Funds of Construction Projects (建設工程質量保證金管理辦法) issued jointly by MOC and MOF on 27 December 2016 and became effective on the same date and last amended on 20 June 2017, Administrative Measures for Completion Acceptance Record of Building Construction and Municipal Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) issued by MOHURD on 19 October 2009 and became effective on the same date, Measures for Quality Warranty of Building Construction Projects (房屋建築工程質量保修辦法) issued by MOC on 30 June 2000 and became effective on the same date, and Measures for Completion (Delivery) Acceptance of Highway Works (公路工程竣(交)工驗收辦法) promulgated by MOT on 15 March 2004 and became effective on 1 October 2004, and its Implement which is promulgated on 1 May 2010.

According to the Regulation on Quality Management of Construction Projects (建設工程質量管理條例), all the building, surveying, designing, construction and supervision units shall be responsible for the quality of the construction projects. The competent administrative department of construction at or above county level is the competent authority for quality supervision and management of construction projects.

## ***Work Safety Management***

Major laws and regulations on work safety during the project contracting process include Work Safety Law of the People's Republic of China (中華人民共和國安全生產法) promulgated by the SCNPC on 29 June 2002 which became effective on 1 November 2002, and last amended on 10 June 2021, Regulation on Work Safety Management of Construction Projects (建設工程安全生產管理條例) promulgated by State Council on 24 November 2003 which became effective on 1 February 2004, Regulation on Work Safety Licences (安全生產許可證條例) by State Council on 13 January 2004 and became effective on the same date, and amended on 29 July 2014 which amendment became effective on the same date.

Interim Regulation of Penalty and Fine on Regulation on Work Safety Accident Report and Investigation (生產安全事故報告和調查處理條例) promulgated by State Council on 9 April 2007 which became effective on 1 June 2007, and Administrative Provisions on Work Safety Licences of Construction Enterprises (建築施工企業安全生產許可證管理規定) issued by MOC on 5 July 2004 and became effective on the same date and amended on 22 January 2015.

In accordance with the Work Safety Law of the People's Republic of China (中華人民共和國安全生產法), Regulation on Work Safety Licences (安全生產許可證條例) and other related regulations, the state implements the work safety license system to construction enterprises. Any enterprise failing to obtain the work safety license shall not carry out production activity. In accordance with the Regulation on Work Safety Management of Construction Projects (建設工程安全生產管理條例), all the building, surveying, designing, construction and supervision units shall be responsible for the work safety of construction projects. For general contracting projects, the general contractor shall assume full responsibility for the work safety of the construction site, and the subcontractor shall be jointly liable for the work safety of the subcontracted portions of work.



## ***Environmental Protection Management***

Major laws and regulations on environmental protection during the project construction process include the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) amended by SCNPC on 24 April 2014 which became effective on 1 January 2015, Law on Environmental Impact Assessment of the People's Republic of China (中華人民共和國環境影響評價法) promulgated by SCNPC on 28 October 2002 which became effective on 1 September 2003 and last amended on 29 December 2018, and Administrative Regulations on Environmental Protection of Construction Projects (建設項目環境保護管理條例) issued by State Council on 29 November 1998 and became effective on the same date and last amended on 16 July 2017.

In accordance with the provisions of the Administrative Regulations on Environmental Protection of Construction Projects (建設項目環境保護管理條例), the PRC government implements the system of environmental impact assessment on construction projects. After the completion of a construction project, the competent administrative department of environmental protection will undergo an environmental protection acceptance process and assess whether the construction project has met the requirements for environmental protection.

## **Qualification of a Real Estate Developer**

Under the Provisions on Administration of Qualifications of Real Estate Developers (房地產開發企業資質管理規定) promulgated by MOC on 29 March 2000 and amended on 4 May 2015 which amendment became effective on the same date and amended on 4 May 2015, a real estate developer must apply for a qualification classification certificate. An enterprise may not engage in the development and operation of properties without a qualification classification certificate for real estate development. MOC (or MOHURD) is in charge of monitoring the qualifications of all real estate developers within the PRC, and local real estate development authorities at or above the county level are in charge of monitoring the qualifications of local real estate developers.

Engaging in real estate development and operation by a developer without obtaining the required provisional or formal qualification certificate, or by overstepping its qualification class, may result in a fine ranging from CNY50,000 to CNY100,000. If the developer fails to rectify within the specified time limit, the authorities shall revoke the qualification certificate, and submit the matters to administrative authorities for industry and commerce for the revocation of the business license. Pursuant to the Provisions on Administration of Qualifications, the qualification of a real estate developer should be annually inspected.

## **Labour**

### ***Employment Contracts***

The Labour Contract Law (勞動合同法), promulgated by the SCNPC on 29 June 2007, which became effective on 1 January 2008 and was amended on 28 December 2012 and became effective on 1 July 2013, governs the relationship between employers and employees and provides for specific provisions in relation to the terms and conditions of an employee contract. The Labour Contract Law stipulates that employee contracts shall be in writing and signed. It imposes more stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. Pursuant to the Labour Contract Law, employment contracts lawfully concluded prior to the implementation of the Labour Contract Law and continuing as at the date of its implementation shall continue to be performed. Where an employment relationship was established prior to the implementation of the Labour Contract Law, but no written employment contract was concluded, a contract shall be concluded within one month after its implementation.



## ***Employee Funds***

Under applicable PRC laws, regulations and rules, including the Social Insurance Law (社會保險法), promulgated by the SCNPC on 28 October 2010, which became effective on 1 July 2011, and amended on 29 December 2018 the Interim Regulations on the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), promulgated by the State Council on 22 January 1999, which became effective on 22 January 1999 and last amended on 24 March 2019, and Administrative Regulations on the Housing Provident Fund (住房公積金管理條例), promulgated by the State Council on 3 April 1999, which became effective on 3 April 1999 and as amended on 24 March 2002 and last amended on 24 March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the outstanding amount within a stipulated time period.

## **REGULATIONS REGARDING OVERSEAS INVESTMENT, FINANCING AND ACQUISITION ACTIVITIES**

### **NDRC Supervision**

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (No. 11 of NDRC) (企業境外投資管理辦法) issued by the NDRC on 26 December 2017 and effective as of 1 March 2018, projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby and the approval authority is NDRC. Projects subject to filing are non-sensitive projects directly carried out by investors, namely the non-sensitive projects involving the direct investment of assets and equities or the provision of financing or guarantees. For a project requiring filing, the authority in charge of filing is (i) NDRC, if the investor is a centrally administered enterprise (a centrally administered financial enterprise or an enterprise directly subordinate to the administration by the State Council or its subordinate organ, the same below); (ii) NDRC, if the investor is a local enterprise and the amount of Chinese investment is USD0.3 billion or above; and (iii) the provincial development and reform authority at the place where the investor is registered, if the investor is a local enterprise and the amount of Chinese investment is less than USD0.3 billion.

Pursuant to the NDRC Circular, which was promulgated by NDRC and became effective on 14 September 2015, where domestic enterprises, overseas enterprises controlled by them or their overseas branches issue foreign debts, which are debt instruments of not less than one year that are denominated in domestic currency or foreign currency with the capital repaid and interest paid as agreed, including bonds issued overseas and long and medium-term international commercial loans, the enterprises shall apply to NDRC for dealing with the formalities of record-filing and registration before issuance. NDRC shall decide to accept it or not within five working days upon the receipt of the application and provide the record-filing and registration certification of issuance of foreign debts by enterprises within seven working days after acceptance. The enterprises shall submit the issuance information to NDRC within 10 working days of the completion of issuance each time.

### **MOFCOM Supervision**

MOFCOM issued the new version of the Overseas Investment Administration Rules (境外投資管理辦法) on 6 September 2014, effective from 6 October 2014 (the “**New Overseas Investment Rules**”). Under the New Overseas Investment Rules, a domestic enterprise intending to carry out any overseas investment shall report to the competent department of commerce for verification or filing and the competent department of commerce shall, with regard to an enterprise so verified or filed, issue thereto an Enterprise Overseas Investment Certificate (企業境外投資證書). If two or more enterprises make a joint investment to establish an overseas enterprise, the larger (or largest) shareholder shall be responsible for the verification or filing procedure after obtaining written consent of other investing parties.

An enterprise that intends to invest in a sensitive country or region or a sensitive industry shall apply for the verification by MOFCOM. “**Sensitive countries and regions**” mean those countries without a diplomatic relationship with the PRC, or subject to the United Nations Security Council sanctions or otherwise under the list of verified countries and regions published by MOFCOM from time to time. “**Sensitive industries**” mean those industries involving the products and technologies which are restricted from being exported, or affecting the interests of more than one country (or region). In accordance with the New Overseas Investment Rules, a central enterprise shall apply to MOFCOM for verification and MOFCOM shall, within 20 working days after accepting such application, decide whether or not the verification is granted. For a local enterprise, it shall apply through the provincial department of commerce to MOFCOM for such verification. The provincial department of commerce shall give a preliminary opinion within 15 working days after accepting such local enterprise’s application and submit all application documents to MOFCOM, while MOFCOM shall decide whether or not the verification is granted within 15 working days of receipt of such preliminary opinion from the provincial department of commerce. Upon verification, the Enterprise Overseas Investment Certificate shall be issued to the investing enterprise by MOFCOM.

Other than those overseas investments subject to MOFCOM verification as described above, all other overseas investments are subject to a filing procedure. The investing enterprise shall complete the filing form through the Overseas Investment Management System, an online system maintained by MOFCOM and print out a copy of such filing form for stamping with the company chop, and then submit such stamped filing form together with a copy of its business licence, for filing at MOFCOM (for a central enterprise (中央企業)) or the provincial department of commerce (for a local enterprise) respectively.

MOFCOM or the provincial department of commerce shall accept the filing and issue the Enterprise Overseas Investment Certificate within three working days of receipt of such filing form.

The investing enterprise must carry out the investment within two years of the date of the relevant Enterprise Overseas Investment Certificate, otherwise such certificate will automatically become invalid and a new filing or verification application has to be made by the investing enterprise. In addition, if any item specified in such certificate is changed, the investing enterprise shall make the change of registration at MOFCOM or the provincial department of commerce (as the case may be).

If an overseas invested company carries out a re-investment activity offshore, the investing enterprise shall report such re-investment activity to MOFCOM or the provincial department of commerce (as the case may be) after the legal process of the investment is completed offshore. The investing enterprise shall complete and print out a copy of the Overseas Chinese-invested Enterprise Re-investment Report Form (境外中資企業再投資報告表) from the Overseas Investment Management System and stamp and submit such form to MOFCOM or the provincial department of commerce.

### **Foreign Exchange Administration**

SAFE issued the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) (the “**Foreign Debt Registration Measures**”) on 28 April 2013, which came into effect on 13 May 2013 and last amended on 4 May 2015. According to the Foreign Debt Registration Measures, the debtor shall submit foreign debt registration when borrowing foreign debts in accordance with laws and regulations. For the domestic debtors besides financial institutions and banks (“**Non-Bank Debtors**”), they shall submit filing or registration procedures of foreign debts with the local counterparts of SAFE. According to the Operation Guidelines for Administration of Foreign Debt Registration (外債登記管理操作指引) promulgated together with Foreign Debt Registration Measures, Non-Bank Debtors shall complete foreign debt registration procedure within 15 working days after execution of related deeds of foreign debts.

According to Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) effective from 1 June 2015 and last amended on 30 December 2019, the banks will review and carry out foreign exchange registration under overseas direct investment directly, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks. The domestic institution may select the banks in the places where they are registered for carrying out foreign exchange registration before proceeding with such operations as opening of the direct investment related account and fund remittance/settlement (including outbound remittance or inbound remittance of profits and dividends).

## TAXATION

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

### HONG KONG

#### Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

#### Profits Tax

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

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “IRO”) as it is currently applied by the Inland Revenue Department, interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong and such interest is derived from Hong Kong;
- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the IRO and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or
- (iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO), even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax.

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

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

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

### **Stamp Duty**

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

### **Estate Duty**

No Hong Kong estate duty is payable in respect of the Bonds.

### **PRC**

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

### **EIT and IIT**

Pursuant to the PRC Enterprise Income Tax Law (the “**EIT Law**”) (《中華人民共和國企業所得稅法》), which took effect on 1 January 2008 and was last revised on 29 December 2018 and the PRC Individual Income Tax Law (the “**IIT Law**”) (《中華人民共和國個人所得稅法》), which took effect on 30 June 2011 and was last revised on 31 August 2018 and the implementation regulations in relation to both the EIT Law and the IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals, respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders may be regarded as PRC-sourced, and therefore be subject to PRC income tax at a rate of 10 per cent. for non-resident enterprise Bondholders and at a rate of 20 per cent. for non-resident individual Bondholders (or a lower treaty rate, if any).

Such income tax shall be withheld by the Issuer as obligatory withholder and such PRC enterprise shall withhold the tax amount from each payment or payment due. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Bondholders.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by enterprise holders would be treated as income derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the IIT Law, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days cumulatively within a tax year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied. There are no specific regulations or guidelines relating to the taxation of the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone, there is uncertainty as to whether FTZ Bondholders would be treated as non-resident enterprises or individuals of the PRC. In the event that FTZ Bondholders are treated as PRC tax residents, such holders may be subject to additional PRC taxes (or higher PRC tax rates) in relation to any interest income or gains realised on the transfer of the Bonds. FTZ Bondholders should further consult their own legal and tax advisors in relation to their EIT and IIT obligations.

## VAT

On 23 March 2016, the MOF and the State Administration of Taxation (the “SAT”) issued the Circular of Full Implementation of Business Tax to VAT Reform (關於全面推開營業稅改徵增值稅試點的通知, Caishui [2016] No. 36, “**Circular 36**”), which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by and be subject to VAT.

According to Circular 36, entities and individuals providing services within the PRC are subject to VAT. The services potentially subject to VAT include the provision of financial services such as the provision of loans. Although the issuance of the Bonds is likely to be treated as financial services for VAT purposes, Circular 36 stipulates that services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. Since the Issuer is located in the PRC, it is likely that the issuance of the Bonds may be subject to VAT at the rate of 6%.



However, as there are no specific regulations or guidelines relating to the taxation of the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone, there is uncertainty as to whether FTZ Bondholders would be treated as non-resident enterprises or individuals of the PRC. In the event that FTZ Bondholders are treated as PRC tax residents, such holders may be subject to additional PRC VAT on the transfer of the Bonds. FTZ Bondholders should further consult their own legal and tax advisors in relation to their VAT obligations. Circular 36 and laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties, and the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

## **Stamp Duty**

According to Stamp Duty Law of the PRC promulgated on 10 June 2021 and implemented on 1 July 2022, entities and individuals who make taxable documents and conduct securities transactions within the territory of the People's Republic of China are the taxpayers of stamp duty and shall pay stamp duty in accordance with the provisions of this Law. All entities and individuals who make taxable documents outside the territory of the People's Republic of China to be used within the territory of the People's Republic of China shall pay stamp duty in accordance with the provisions of this Law. However, there are no specific regulations or guidelines relating to the taxation of the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone. Although the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone may not be treated as issuance of debt instruments in China, there can be no assurance that the issuance or transfer of the Bonds will not be deemed or treated by PRC taxation authority as the entry into a loan contract or use of any other taxable instruments in the PRC and thus be subject to PRC stamp duty. In addition, there can be no assurance that PRC laws will not be revised as to impose stamp duty upon the issuance or transfer of the Bonds or similar debt instrument. If the issuance or transfer of the Bonds is treated in the same way as the entering into of a loan contract or use of any other taxable instruments in the PRC, both the borrower and lender (i.e. the Issuer and investors purchasing the Bonds, respectively) in respect of the issuance of the Bonds, or both the transferor and transferee (i.e. investors transferring the Bonds) in respect of the transfer of the Bonds would be each subject to PRC stamp duty of 0.005 per cent for issuance of bond and 0.05 per cent for transfer of the amount borrowed, or any other rate applicable to the issuance or transfer of the Bonds (or such higher rate if local governments have other additional requirements). The Issuer undertakes that to the extent any PRC stamp duty is payable on initial issuance of the Bonds, it will bear such PRC stamp duty.

Any taxpayer, withholding agent, tax authority or its staff member in violation of the provisions of the present Law will be subject to legal liability in accordance with the Law of the People's Republic of China on the Administration of Tax Collection and the relevant laws and administrative regulations.

## **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong and the PRC) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining “foreign passthru payment” and the Bonds issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds.

## SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

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

*In making an investment decision, each investor must rely upon its own examination of us, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisers for an understanding the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.*

### GOVERNMENT GRANT

Under PRC GAAP, the relocation compensation for public interests is required to be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and purchases of assets after the relocation are transferred from special payables to deferred income and accounted for in accordance with the government grants standard. The surplus reached after deducting the amount transferred to deferred income shall be recognised in capital reserve.

Under IFRS, if an entity relocates for reasons of public interests, the compensation received shall be recognised in profit or loss.

### REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long-term asset (including investment property valued under the cost model, long-term equity investments, fixed assets, intangible assets and goodwill, etc.) (save for certain long-term receivables), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill may be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.

### FIXED ASSETS AND INTANGIBLE ASSETS

Under PRC GAAP, only the cost model is allowed. Save for in the event of share reform, fair value measurement may also be permitted.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

### Accounting year

Under PRC GAAP, the accounting year shall run from 1 January to 31 December.

IFRS requires financial statements to be presented at least annually. However, it does not specify the start or end of the financial reporting period and permits an entity to change its reporting date.

### **Format of financial statements and items presented**

PRC GAAP contains detailed requirements on the format of financial statements and the items to be presented.

IFRS sets out overall principles and minimum line items to be presented but does not prescribe the formats in detail.

### **Classification of expenses in the income statement/statement of comprehensive income**

Under PRC GAAP, expenses must be classified based on their function in the income statement.

Under IFRS, enterprises may classify expenses either based on the nature of the expenses or their function in the statement of comprehensive income, depending on which format is considered reliable and more relevant.

### **Statement of cash flows**

Under PRC GAAP, the direct method, together with a supporting note reconciling operating result to cash flows arising from operations, is the only permitted method.

Under IFRS, enterprises can choose whether to present cash flows from operating activities using the direct method or indirect method. Typically, entities reporting under IFRS use the indirect method.

### **Non-controlling interest/minority interest**

Under PRC GAAP, the acquirer should always recognize the minority interest at the minority shareholders' proportionate interest in the acquiree's identifiable net assets.

Under IFRS, the acquirer can choose, on an acquisition by acquisition basis, whether to measure components of non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

### **Borrowing costs eligible for capitalization**

Under PRC GAAP, all exchange differences arising from the retranslation of the principal and interest of a specific foreign currency borrowing are eligible for capitalization.

Under IFRS, borrowing costs eligible for capitalization include exchange differences arising from foreign currency borrowings only to the extent that they represent an adjustment to interest costs.

### **Land use rights**

Under PRC GAAP, the cost of acquiring a land use right is generally recognized as investment property, intangible assets (if held for own use) or inventories, depending on the use of the land.

Under IFRS, the cost of acquiring a land use right (or other leasehold interest in land) is generally recognized as an operating lease prepayment, and cannot be revalued. The only exception is where the land interest is eligible to be classified as investment property. There is diversity in practice as to whether the cost of land use rights (or other leasehold interests held under operating leases) is classified as inventory when the land interest is held for resale in the ordinary course of business.

## SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 25 November 2022 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table.

	<b>Principal amount of the Bonds to be subscribed</b>
	<b>CNY</b>
Central Wealth Securities Investment Limited. . . . .	246,000,000
China International Capital Corporation Hong Kong Securities Limited . . . . .	20,000,000
<b>Total</b> . . . . .	<u>266,000,000</u>

The Subscription Agreement provides that the Joint Lead Managers and their respective affiliates, and their respective directors, officers and employees will be indemnified against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to us.

In connection with the issue of the Bonds, each of the Joint Lead Managers appointed and acting in its capacity as a Stabilisation Manager or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in so doing so the Stabilisation Manager shall act as principal and not as agent of the Issuer and any loss resulting from over-allotment and stabilisation will be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilisation Manager. The Stabilisation Manager acknowledges that the Issuer has not authorised the issue of the Bonds in a principal amount exceeding CNY266,000,000.

The Joint Lead Managers and certain of their respective subsidiaries or affiliates may perform certain investment banking and advisory services for, and enter into certain commercial banking transactions with the Issuer from time to time, for which they may receive customary fees and expenses. The Joint Lead Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer in the ordinary course of business.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliate(s) may act as an investor for its own account and may take up Bonds in the offering and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer and may offer or sell such securities or other investments otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the Bonds being “offered” should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any applicable legal or regulatory requirements. The Joint Lead Managers or their respective affiliates may purchase the Bonds for its own account or for the accounts of their customers and enter into transactions, including credit derivative, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer at the same time as the offer and sale of

the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). It is also possible that only a limited number of investors may subscribe for a significant proportion of the Bonds. If this is the case, liquidity of trading in the Bonds may be constrained (see “*Risk Factors – Risks Associated with the Bonds and the Standby Letter of Credit – A trading market for the Bonds may not develop*”). Furthermore, investors in the Bonds may include entities affiliated with the Group. Should any of the foregoing transactions occur the trading price and liquidity of the Bonds may be impacted.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of us, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or the Issuer’s other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Bonds or the Issuer’s other financial instruments.

#### **Important Notice to CMIs (including private banks)**

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

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

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

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



The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager(s) with such evidence within the timeline requested.

## **GENERAL**

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by us or the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Joint Lead Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Joint Lead Managers. If a jurisdiction requires that an offering of Bonds be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

## **UNITED STATES**

The Bonds and the Standby Letter of Credit have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has represented, warranted and undertaken to the Issuer that:

- (a) it has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act; and
- (b) neither it nor any of its Affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) (nor any person acting on behalf of such Joint Lead Manager or any of its Affiliates) has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Bonds.

Terms used in the paragraph above have the meanings given to them by Regulation S.

## **UNITED KINGDOM**

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

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom;
- (c) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- (d) it has not offered or sold and will not offer or sell any Bonds other than to persons:
  - a. whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - b. who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

## HONG KONG

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

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

## THE PEOPLE’S REPUBLIC OF CHINA

Each of the Joint Lead Managers has represented, warranted and undertaken that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong and the Macau Special Administrative Region or Taiwan), except as permitted by applicable laws of the PRC. However, in respect of the special arrangement in the China (Shanghai) Pilot Free Trade Zone, the Bonds are allowed to be offered or sold, directly or indirectly, in the China (Shanghai) Free Trade Zone to the extent that such offer or sale is permitted by the securities laws or any other applicable laws or regulations of the PRC, or approved by the relevant PRC regulatory authorities.

## SINGAPORE

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented, warranted and undertaken that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

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

## **JAPAN**

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

## **MACAU**

The Bonds have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Bonds be distributed or circulated in Macau, except under the terms of and in compliance with Law Decree 32/93/M (the “**Macau Financial System Act**”) and any other laws in Macau that may apply to the offer and sale of the Bonds in Macau. The Bonds have not been and will not be registered or otherwise authorised for public offer without the approval by the Chief Executive of Macau and under the Financial System Act of Macau, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Monetary Authority of Macau (“**AMCM**”), in observation of the guidelines and recommendations issued by AMCM from time to time, namely Guideline no. 033/B/2010-DSB/AMCM.

## GENERAL INFORMATION

1. **Clearing System:** The Bonds will be initially issued in uncertificated book-entry form held in CCDC (CCDC Code: G228055).
2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds, the Standby Letter of Credit, the Trust Deed, the Account Bank Agreement and the Service Agreement. The issue of the Bonds was authorised by resolutions of the Issuer's board of directors dated 11 February 2022 and resolutions of the Issuer's shareholders dated 14 February 2022. The Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 12 April 2022 evidencing such registration.
3. **No Material Adverse Change:** Except for otherwise disclosed in this Offering Circular, there has been no material adverse change, or any development or event involving a prospective change, in the condition (financial or other), prospects, results of operations, business, properties or general affairs or profitability of the Issuer or the Group, which is material and adverse in the context of the issue and offering of the Bonds since 31 December 2021.
4. **Litigation:** None of the Issuer or the Group is involved in any litigation or arbitration proceedings which could have a material and adverse effect on their businesses, results of operations and financial condition nor is the Issuer aware that any such proceedings are pending or threatened. The Issuer may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of its business.
5. **Available Documents:** Copies of the Audited Financial Statements, the Trust Deed and the Service Agreement relating to the Bonds will be available for inspection from the Issue Date at the Issuer's registered office at No. 265, Longzhou Avenue, Banan District, Chongqing Province, China. Copies of the Trust Deed, the Account Bank Agreement and the Standby Letter of Credit will be available for inspection upon prior written request and satisfactory proof of holding and identity during 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time), Monday to Friday (other than public holidays)) at the principal office of the Trustee (being as at the date of this Offering Circular at 6/F, CMB Wing Lung Bank Building, 45 Des Voeux Road Central, Hong Kong).
6. **Financial Statements:** The 2020 Audited Consolidated Financial Statements, which are included elsewhere in this Offering Circular, have been audited by Asia Pacific as stated in its reports dated 20 April 2021. The 2021 Audited Consolidated Financial Statements, which are included elsewhere in this Offering Circular, have been audited by Zhongshenzhonghuan as stated in its reports dated 28 April 2022. The Audited Consolidated Financial Statements have only been prepared in Chinese and are included elsewhere in this Offering Circular. The Financial Statements Translation have been prepared and included in this Offering Circular for reference only. Should there be any inconsistency between the Audited Consolidated Financial Statements and the Financial Statements Translation, the Audited Consolidated Financial Statements included elsewhere in this Offering Circular in Chinese shall prevail. The Financial Statements Translation does not itself constitute audited financial statements, and is qualified in their entirety by, and is subject to the more detailed information and the financial information set out or referred to in, the Audited Consolidated Financial Statements.
7. **LEI:** The Issuer's LEI code is 836800XFZVKF99LQJK15.

8. **Listing of Bonds:** Approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Approval in-principle from, admission to the Official List of, and listing and quotation of the Bonds on, the SGX-ST are not to be taken as an indication of the merits of the offering of the Bonds, the Issuer, the Group, its respective subsidiaries or the quality of disclosure in this Offering Circular. For so long as such Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, such Bonds will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in other currencies).

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that any global certificate may be issued in respect of the Bonds (the “**Global Certificate**”) is exchanged for Bonds in definitive form. In addition, in the event that the Global Certificate is exchanged for Bonds in definitive form, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include material information with respect to the delivery of the Bonds in definitive form, including details of the paying agent in Singapore.



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**CHONGQING BAZHOU CULTURAL  
TOURISM INDUSTRY GROUP CO., LTD.  
AUDITOR'S REPORT**

31 December 2021

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## AUDITOR'S REPORT

ZHSZ (2022) No. 1810063

To all shareholders of Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.:

### Opinion

We have audited the accompanying financial statements of Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated and the Company's balance sheets as at 31 December 2021, and the consolidated and the Company's income statements, the consolidated and the Company's statements of cash flows and changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

### Basis of Opinion

We conducted our audit in accordance with Chinese Standards on Auditing (CSAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management of the Company (hereinafter referred to as "the Management") is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation,
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion,

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Zhongshenzhonghua Certified Public Accountants LLP



Certified Public Accountant

Certified Public Accountant

28 April 2022







# Consolidated Balance Sheet (Assets)

已审计·请与审计报告一并阅读  
中审众环会计师事务所(特殊普通合伙)

Assets	Unit	12 Dec 2020	1 Dec 2019	1 Dec 2018
Cash and cash equivalents	V11	1,496,673,322.89	2,549,673,322.89	2,549,673,322.89
Receivables	V12	2,240,256,922.75	1,187,549,680.58	1,187,549,680.58
Prepayments	V13	9,494,587.70	119,169,209.98	119,169,209.98
Other receivables	V14	3,073,832,444.82	1,273,744,388.14	1,273,744,388.14
Including: Dividend receivable		2,228,719.99	—	—
Debtors	V15	12,376,070,802.69	12,476,672,233.69	12,476,672,233.69
Contract assets		—	—	—
Hold-for-sale assets		—	—	—
Non-current assets due within one year		—	—	—
Other current assets	V16	177,393,677.87	97,348,868.79	97,348,868.79
Total current assets		11,771,249,842.79	11,316,231,195.77	11,316,231,195.77
Non-current assets		—	—	—
Debt investments		—	—	—
Available-for-sale financial assets		—	—	—
Other debt investments		—	—	—
Long-term receivables	V17	—	134,608,697.64	134,608,697.64
Long-term equity investments	V18	71,140,479.61	70,809,264.76	70,809,264.76
Other non-current financial assets	V19	—	805,000.00	805,000.00
Investment properties	V110	2,469,489,227.67	1,879,876,127.63	1,879,876,127.63
Fixed assets	V111	193,236,756.18	92,461,817.76	92,461,817.76
Construction in progress	V112	413,180,026.74	645,768,089.98	645,768,089.98
Productive biological assets		—	—	—
Intangible assets	V113	660,586,682.88	6,777.30	6,777.30
Development expenditures		—	—	—
Goodwill		—	—	—
Long-term deferred expenses	V114	3,391,295.69	4,103,529.08	4,103,529.08
Deferred tax assets	V115	3,307,799.46	2,210,699.01	2,210,699.01
Other non-current assets	V116	6,426,011,782.14	6,223,823,122.69	6,223,823,122.69
Total non-current assets		13,572,697,968.11	11,801,871,311.79	11,795,786,644.78
Total assets		25,343,947,810.90	23,118,102,507.56	23,112,017,840.55

Legal Representative

蒋文

Chief Financial Officer

杨晨

Chief Accountant

陈永

# Consolidated Balance Sheet (Liabilities and Owners' Equity)

Shanghai Chongsheng Culture Industry Group Co., Ltd.

	Notes	31 Dec 2023	31 Dec 2022	31 Dec 2021
Current liabilities				
Short-term borrowings	VI.17	1,853,300,000.00	465,850,000.00	465,350,000.00
Trading financial liabilities				—
Other current financial liabilities				
Accounts payable	VI.18	568,300,000.00	568,300,000.00	568,300,000.00
Accounts payable	VI.19	568,230,100.83	568,230,100.83	568,230,100.83
Advances from customers	VI.20	1,870,512.31	897,082.17	1,479,886,968.21
Contract liabilities	VI.21	1,404,866,284.46	1,404,135,791.91	—
Payroll payable	VI.22	18,391,000.80	18,829,827.83	18,829,827.83
Taxes and surcharges payable	VI.23	710,980,679.44	590,815,411.34	590,815,411.34
Other payables	VI.24	3,867,180,958.86	3,546,983,712.29	3,546,983,712.29
Including: Interest payable			105,779,681.42	105,779,681.42
Dividends payable				—
Held-for-sale liabilities				
Non-current liabilities due within one year	VI.25	3,338,022,876.42	3,038,500,392.98	3,038,500,392.98
Other non-current liabilities	VI.26	280,137,010.09	68,843,761.55	—
Total current liabilities		10,808,779,122.68	10,609,286,713.43	10,609,286,713.43
Non-current liabilities				
Long-term borrowings	VI.27	4,363,022,044.60	3,745,613,668.47	3,745,613,668.47
Bonds payable	VI.28	3,557,728,268.28	3,660,618,276.35	3,660,618,276.35
Including: Preferred shares				
Perpetual bonds				
Lease liabilities				
Long-term payables	VI.29	3,496,807,468.44	2,935,487,697.86	2,935,487,697.86
Long-term payable payables				
Accrued liabilities				
Deferred income	VI.30	22,804,021.89	2,700,671.19	2,700,671.19
Deferred tax liabilities	VI.31	220,411,011.39	210,379,682.93	210,379,682.93
Other non-current liabilities	VI.32	984,210,755.10	—	—
Total non-current liabilities		8,794,413,489.90	8,755,614,239.43	8,755,614,239.43
Total liabilities		19,603,192,612.58	19,364,900,952.86	19,364,900,952.86
Owners' equity				
Paid-in capital	VI.33	610,000,000.00	110,000,000.00	110,000,000.00
Other equity instruments				
Including: Preferred shares				
Perpetual bonds				
Capital reserve	VI.34	6,872,873,040.16	6,799,233,142.33	6,799,233,142.33
Less: Treasury shares				
Other comprehensive income	VI.35	404,808,102.77	404,190,471.57	404,210,189.01
Special reserve				
Surplus reserve				
Retained earnings	VI.36	1,335,398,144.70	1,380,335,311.61	1,382,202,085.47
Total equity attributable to owners of the parent company		12,542,379,487.63	11,593,839,525.51	11,796,845,221.81
Minority interests		13,816,548.13	12,982,554.85	12,982,554.85
Total equity		12,556,196,035.76	11,606,822,080.36	11,809,827,776.66
Total liabilities & owners' equity		32,159,388,648.34	30,971,723,033.22	31,174,728,729.52

Legal Representative

蒋文

Chief Financial Officer

杨晓

Chief Accountant

陈伟

# Consolidated Income Statement

Period Ending September 30, 2019  
Period Ending September 30, 2018

Item	2019	2018
I. Total operating revenue	2,585,762,397.33	2,178,394,968.99
Including: Operating revenue	2,586,310,723.81	2,088,267,919.24
II. Total operating costs	2,256,411,287.03	2,098,163,791.40
Including: Operating costs	19,776,425.90	11,462,429.29
Salaries and benefits	4,270,117.68	3,077,080.88
Administrative expenses	118,771,073.65	67,871,146.81
R&D expenses		
Financial costs	19,440	195,115,818.47
Including: Interest expenses	197,239,494.84	7,088,522.15
Interest income	5,587,110.76	5,441,455.84
III. Other income	118,662,776.89	87,606,242.14
Investment income ("/" minus loss)	118,662,776.89	87,606,242.14
Including: Income from investment in associates and joint ventures		
Discontinued income of financial assets measured at amortized cost		
Net income hedging income ("/" minus loss)		
Gains from changes in fair value ("/" minus loss)	18,179,286.25	148,707,235.91
Credit impairment loss ("/" minus loss)	-6,877,758.32	
Impairment loss on assets ("/" minus loss)	-219,781.09	8,794,326.42
Gains from disposal of assets ("/" minus loss)	11,440	319,171.14
IV. Operating profit ("/" minus loss)	236,868,734.90	393,613,634.60
ADD: Non-operating income	8,376,193.80	34,720,774.71
Less: Non-operating expenses	10,317,061.82	17,805,467.78
V. Total profit ("/" minus loss)	234,927,866.88	297,114,266.55
Less: Income tax expenses	60,375,880.58	90,748,508.26
VI. Net profit ("/" minus net loss)	174,551,986.30	206,365,758.29
(I) Classification in accordance with going concern		
1. Net profit from continuing operations ("/" minus net loss)	174,551,986.30	206,365,758.29
2. Net profit from discontinued operations ("/" minus net loss)		
(II) Classification in accordance with interruption		
1. Amount attributable to owners of the parent company ("/" minus net loss)	174,551,986.30	206,365,758.29
2. Minority interest ("/" minus net loss)	8,207,093.28	259,389.42
VII. Other comprehensive income after tax	780,850.42	
(I) Amount attributable to owners of the parent company	780,850.42	
A. Not reclassified subsequently to profit or loss, including: 1. Changes in fair value of assets held for sale	780,850.42	
2. Not reclassified subsequently to profit or loss under equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of the Company's own equity tools		
5. Other		
B. Reclassified subsequently to profit or loss, including: 1. Reclassified subsequently to profit or loss under equity method		
2. Changes in fair value of other debt instruments		
3. Amount of financial assets reclassified to other comprehensive income		
4. Credit impairment provision for other debt instruments		
5. Cash flow hedging income		
6. Translation difference from foreign currency financial statements		
7. Other		
(II) Amount attributable to minority shareholders		
VIII. Total comprehensive income	175,338,837.28	206,365,758.29
(I) Amount attributable to owners of the parent company	172,237,564.01	206,114,628.89
(II) Amount attributable to minority shareholders	8,207,093.28	259,389.42

Legal Representative

Chief Financial Officer

Chief Accountant

蒋文

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# Consolidated Statement of Cash Flows

Prepared by Jiangnan Culture Tourism Development Group Co., Ltd.

	Notes	2022	2021
<b>I. Cash flows from operating activities:</b>			
Cash receipts from main activities		554,472,542.24	405,884,402.51
Tax receipts		115,422.19	1,480,790.59
Other cash receipts relating to operating activities		6,222,496,279.41	6,746,395,870.95
Subtotal cash inflows from operating activities	VI.50	5,817,292,843.94	6,754,131,369.95
Cash paid for cash and services		2,649,178,809.27	2,817,311,870.42
Cash paid to and for employees		229,327,344.15	180,849,895.32
Payment of taxes and surcharges		154,125,075.70	118,997,054.51
Other cash payments relating to operating activities		2,714,110,969.46	3,018,348,197.42
Subtotal cash outflows from operating activities	VI.50	5,756,542,287.72	6,135,505,117.47
Net cash flows from operating activities	VI.51	111,119,195.32	1,002,473,088.42
<b>II. Cash flows from investing activities:</b>			
Cash receipts from withdrawal of investments		8,391,950.00	
Cash received from investment income		1,957,564.24	4,790,974.85
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		71,323.87	314,512.98
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities		221,636,760.43	196,080,000.00
Subtotal cash inflows from investing activities	VI.50	230,987,449.94	611,175,487.83
Cash paid for fixed assets, intangible assets and other long-term assets		893,287,688.56	1,061,193,213.47
Cash paid for investments		6,896,000.00	
Net cash paid for acquiring subsidiaries and other business units			
Other cash payments relating to investing activities		1,264,137,379.10	98,380,000.00
Subtotal cash outflows from investing activities	VI.50	2,154,321,067.66	1,159,573,213.47
Net cash flows from investing activities		-2,253,770,195.50	-113,014,725.64
<b>III. Cash flows from financing activities:</b>			
Cash proceeds from investments by others		540,000,000.00	540,000,000.00
Including: Cash received by subsidiaries from minority shareholders' investments			
Cash received from borrowings		7,302,849,130.79	6,406,814,849.10
Other cash receipts relating to financing activities		947,896,000.00	25,000,000.00
Subtotal cash inflows from financing activities	VI.50	8,849,845,130.79	6,971,814,849.10
Cash repayments for debts		3,554,828,152.09	3,420,410,520.76
Cash payments for distribution of dividends, profit and interest expenses		764,912,443.41	707,144,424.06
Including: Dividends or profits paid by subsidiaries to minority shareholders			
Other cash payments relating to financing activities		760,261,080.00	494,296,000.00
Subtotal cash outflows from financing activities	VI.50	5,080,001,675.50	4,621,850,944.82
Net cash flows from financing activities		3,769,843,455.29	2,350,789,889.44
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
<b>V. Net increase in cash and cash equivalents</b>	VI.51	407,202,495.79	99,461,179.17
Add: Opening balance of cash and cash equivalents	VI.51	1,549,876,308.59	1,750,274,829.42
<b>VI. Closing balance of cash and cash equivalents</b>	VI.51	1,957,078,804.38	1,850,000,008.59

Legal Representative:

蒋文

Chief Financial Officer

杨敏

Chief Accountant

陈明

# Consolidated Statement of Changes in Owners' Equity

Period: 2017		Equity attributable to owners of the parent company					2017		2016	
		Paid in capital	Other equity instruments	Capital reserves	Reserve	Special reserves	Surplus reserves	Retained earnings	Retained earnings	Retained earnings
I. Balance at the beginning of the current year	Add: Change in ownership interest	1,000,000,000.00	463,237,088.53	4,809,243,142.55	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40
		11,361,418,480.40	463,237,088.53	4,809,243,142.55	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40
II. Increase / decrease during the current year	Add: Change in ownership interest	11,361,418,480.40	463,237,088.53	4,809,243,142.55	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40
		11,361,418,480.40	463,237,088.53	4,809,243,142.55	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40
III. Balance at the end of the current year	Add: Change in ownership interest	11,361,418,480.40	463,237,088.53	4,809,243,142.55	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40
		11,361,418,480.40	463,237,088.53	4,809,243,142.55	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40
IV. Balance at the end of the current year		11,361,418,480.40	463,237,088.53	4,809,243,142.55	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40	11,361,418,480.40



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2020							
Equity attributable to owners of the parent company							
Other equity instruments	Capital reserve	Res. Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Report
1. Increase in share capital	11,040,000.00		462,230,088.61			1,230,073,367.45	11,040,000.00
2. Change in share capital						42,296,376.03	42,296,376.03
3. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
4. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
5. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
6. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
7. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
8. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
9. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
10. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
11. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
12. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
13. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
14. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
15. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
16. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
17. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
18. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
19. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
20. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
21. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
22. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
23. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
24. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
25. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
26. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
27. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
28. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
29. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
30. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
31. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
32. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
33. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
34. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
35. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
36. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
37. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
38. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
39. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
40. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
41. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
42. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
43. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
44. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
45. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
46. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
47. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
48. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
49. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
50. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
51. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
52. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
53. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
54. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
55. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
56. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
57. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
58. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
59. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
60. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
61. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
62. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
63. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
64. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
65. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
66. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
67. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
68. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
69. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
70. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
71. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
72. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
73. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
74. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
75. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
76. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
77. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
78. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
79. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
80. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
81. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
82. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
83. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
84. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
85. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
86. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
87. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
88. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
89. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
90. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
91. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
92. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
93. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
94. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
95. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
96. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
97. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
98. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
99. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
100. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
101. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
102. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
103. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
104. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
105. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
106. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
107. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
108. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
109. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
110. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
111. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
112. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
113. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
114. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
115. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
116. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
117. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
118. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
119. Total comprehensive income	10,000,000.00		462,230,088.61			1,198,022,131.62	11,040,000.00
120. Total comprehensive income	10,000,000.00		462,				

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Chart 1 continued

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Chief Executive Officer

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中审众环会计师事务所(特殊普通合伙)

### Legal Representatives

Chief Financial Officer

## Chapter Summary

# Balance Sheet (Liabilities and Owners' Equity)

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中审众环会计师事务所(特殊普通合伙)

Period Ending December 31, 2017  
Period Ending December 31, 2016  
Period Ending December 31, 2015

Liabilities and Owners' Equity	Note	12/31/2017	12/31/2016	12/31/2015
<b>Current liabilities</b>				
Short-term borrowings		797,900,000.00	1,011,000,000.00	1,000,000,000.00
Trading financial liabilities		—	—	—
Derivative financial liabilities		—	—	—
Notes payable		—	—	—
Accounts payable		181,394.32	500,000.00	500,000.00
Advance from customers		—	—	—
Contract liabilities		—	—	—
Payroll payable		1,125,490.50	—	—
Taxes and surcharges payable		36,019.87	—	—
Other payables		1,811,854,525.38	643,365,800.00	643,365,800.00
Including: Interest payable		—	—	—
Dividends payable		—	—	—
Held-for-sale liabilities		—	—	—
Non-current liabilities due within one year		126,481,852.14	—	—
Other current liabilities		8,809,391.51	—	—
<b>Total current liabilities</b>		2,916,635,967.10	744,865,800.00	744,865,800.00
<b>Non-current liabilities</b>				
Long-term borrowings		928,070,000.00	—	—
Bonds payable		222,789,453.00	—	—
Including: Preferred shares		—	—	—
Special bonds		—	—	—
Lease liabilities		—	—	—
Long-term payables		554,229,331.00	—	—
Long-term payable payable		—	—	—
Accrued liabilities		—	—	—
Deferred income		—	—	—
Deferred tax liabilities		—	—	—
Other non-current liabilities		—	—	—
<b>Total non-current liabilities</b>		3,615,068,834.00	744,865,800.00	744,865,800.00
<b>Total liabilities</b>		6,531,704,801.10	744,865,800.00	744,865,800.00
<b>Owners' equity</b>				
Paid-up capital		970,000,000.00	970,000,000.00	970,000,000.00
Other equity instruments		—	—	—
Including: Preferred shares		—	—	—
Special bonds		—	—	—
Capital reserve		11,718,122,712.25	11,734,047,622.14	11,734,047,622.14
Less: Treasury shares		—	—	—
Other comprehensive income		—	—	—
Special reserve		—	—	—
Retained earnings		-4,995,654.07	-174,285.25	-174,285.25
<b>Total owners' equity</b>		12,652,457,998.18	12,653,800,000.00	12,653,800,000.00
<b>Total liabilities &amp; owners' equity</b>		19,184,162,799.28	19,400,665,800.00	19,400,665,800.00

Legal Representative

蒋文

Chief Financial Officer

杨敏

Chief Accountant

张永



## Income Statement

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中审众环会计师事务所(特殊普通合伙)

Period 2023-01-01 to 2023-12-31		Unit: RMB Yuan	
	Year	2023	2022
I Operating revenue	NY 4	921,478.78	
Less: Operating costs	NY 4	923,414.76	
Term asset impairment		8,480.30	
Selling expenses			
Administrative expenses		34,823,859.40	854,968.13
R&D expenses			
Financial costs		1,657,941.80	-41,109.89
Including: Interest expenses			
Interest income		362,719.83	43,208.99
ADD Other income		97,000,000.00	
Investment income ("/" minus loss)	NY 5	488,693.71	826,982.00
Including: Income from investments in associates and joint ventures			
Disproportioned income of financial assets measured in amortized cost			
Net expense hedging income ("/" minus loss)			
Income from changes in fair value ("/" minus loss)			
Credit impairment loss ("/" minus loss)		-47,783.00	
Impairment loss on assets ("/" minus loss)			
Income from disposal of assets ("/" minus loss)			
II Operating profit ("/" minus loss)		12,062,162.22	13,141.79
ADD Non-operating income		109,418.15	
Less: Non-operating expenses		949,000.00	
III Total profit ("/" minus loss)		11,522,580.37	13,141.79
Less: Income tax expenses		-11,348.75	
IV Net profit ("/" minus net loss)		11,533,929.12	13,141.79
1. Net profit from continuing operations ("/" minus net loss)		11,533,929.12	13,141.79
2. Net profit from discontinued operations ("/" minus net loss)			
V Other comprehensive income other than			
A Not reclassified subsequently to profit or loss			
Including: 1. Changes in fair value of equity instruments not designated as current liabilities			
2. Net reclassified subsequently to profit or loss under equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of the Company's own equity tools			
5. Other			
B Reclassified subsequently to profit or loss			
Including: 1. Reclassified subsequently to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified to other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Cash flow hedging reserves			
6. Translation differences from foreign currency financial statements			
7. Other			
VII Total comprehensive income		11,545,278.12	13,141.79

Legal Representative

Chief Financial Officer

Chief Accountant

蒋文

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## Statement of Cash Flows

Beauma Cultural Tourism Industry Group Co., Ltd.

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中审众环会计师事务所(特殊普通合伙)

	2021	2020
<b>I. Cash flows from operating activities:</b>		
Cash received from sales and services	1,005,554.88	
Subsidiaries		
Other cash receipts relating to operating activities	8,395,372,862.41	725,665,268.89
Subtotal cash inflows from operating activities	9,400,927,417.29	725,665,268.89
Cash paid for purchases	73,894,416.76	
Cash paid to and on behalf of employees	14,456,014.00	
Payment of taxes and surcharges	23,887.94	
Other cash payments relating to operating activities	5,982,850,167.19	917,729,025.67
Subtotal cash outflows from operating activities	6,082,243,465.89	917,729,025.67
Net cash flows from operating activities	-475,181,742.68	-192,063,756.78
<b>II. Cash flows from investing activities:</b>		
Cash receipts from withdrawal of investments		39,300,000.00
Cash received from investment income	468,495.71	826,000.00
Subtotal cash inflows from investing activities	468,495.71	39,300,000.00
Cash paid for fixed assets, intangible assets and other long-term assets	191,004,219.44	
Cash paid for investments	1,115,000,000.00	39,300,000.00
Subtotal cash outflows from investing activities	1,306,004,219.44	39,300,000.00
Net cash flows from investing activities	-1,295,535,723.73	-39,300,000.00
<b>III. Cash flows from financing activities:</b>		
Cash proceeds from investments by shareholders	300,000,000.00	100,000,000.00
Cash received from borrowings	2,861,875,000.00	100,000,000.00
Other cash receipts relating to financing activities	740,000,000.00	
Subtotal cash inflows from financing activities	3,901,875,000.00	200,000,000.00
Cash repayments for debts	496,897,111.47	
Cash payments for distributions of dividends, profits and interest expenses	76,108,719.24	6,793,511.37
Other cash payments relating to financing activities	401,000,000.00	
Subtotal cash outflows from financing activities	974,005,830.71	6,793,511.37
Net cash flows from financing activities	2,927,869,169.29	193,206,488.63
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	142,251,041.88	1,004,047.45
Add: Opening balance of cash and cash equivalents	1,887,495.89	182,804.24
<b>VI. Closing balance of cash and cash equivalents</b>	1,999,746,937.77	1,087,851.69

Legal Representative

蒋文

Chief Financial Officer

杨晓

Chief Accountant

张永

# Statement of Changes in Owners' Equity

					2023		2022		2021		2020	
					Paid-up capital	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Retained earnings	Other equity instruments	Retained earnings
I. Balance at the beginning of the year					100,000,000.00		11,042,000,000.00			11,042,000,000.00		11,042,000,000.00
II. Changes in the year												
(A) Increase/decrease during the year												
1. Contribution by owners												
2. Capital reserve transferred to equity												
3. Special reserve transferred to equity												
4. Retained earnings transferred to equity												
5. Other												
(B) Decrease during the year												
1. Capital reserve transferred to equity												
2. Special reserve transferred to equity												
3. Retained earnings transferred to equity												
4. Other												
III. Balance at the end of the year					100,000,000.00		11,042,000,000.00			11,042,000,000.00		11,042,000,000.00



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# Statement of Changes in Owners' Equity

Page: 4  
RMB

Prepared by: Chongqing Baowen Culture Industry Co., Ltd.



	Paid-in capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Total	Notes
I. Balance at the beginning of the period	10,000,000.00		1,042,235.47			11,042,235.47	
II. Changes during the period							
(A) Issuance of new shares							
(B) Issuance of new shares							
(C) Issuance of new shares							
(D) Issuance of new shares							
(E) Issuance of new shares							
(F) Issuance of new shares							
(G) Issuance of new shares							
(H) Issuance of new shares							
(I) Issuance of new shares							
(J) Issuance of new shares							
(K) Issuance of new shares							
(L) Issuance of new shares							
(M) Issuance of new shares							
(N) Issuance of new shares							
(O) Issuance of new shares							
(P) Issuance of new shares							
(Q) Issuance of new shares							
(R) Issuance of new shares							
(S) Issuance of new shares							
(T) Issuance of new shares							
(U) Issuance of new shares							
(V) Issuance of new shares							
(W) Issuance of new shares							
(X) Issuance of new shares							
(Y) Issuance of new shares							
(Z) Issuance of new shares							
III. Balance at the end of the period	10,000,000.00		1,042,235.47			11,042,235.47	

巴中巴中会计师事务所 (普通合伙)  
巴中巴中会计师事务所 (普通合伙)

Chief Accountant: [Signature]

Chief Financial Officer: [Signature]

Chief Financial Officer

Chief Accountant





# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(All amounts in RMB unless otherwise stated)

## Important Notes:

This report is prepared in Chinese and English. In the event of any discrepancy between two versions, the Chinese version shall prevail.

## I Company profile

Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (hereinafter referred to as "the Company"), formerly known as Chongqing Habin Construction Co., Ltd., was established on 23 August 2012. The registered capital of the Company at the time of its establishment was RMB 1,000 million. The unified social credit code of the Company is 915001130532013163, and the legal representative of the Company is Jiang Wen.

1. Registration address, type of organization and headquarters address of the Company

Registration address of the Company: No. 27 of Building 4, No. 7 Ronghui Avenue, Lijiatuo, Banan District, Chongqing.

Type of organization of the Company: Limited liability company (solely state-owned)

Headquarters address of the Company: No. 25 of Building 4, No. 7 Ronghui Avenue, Lijiatuo, Banan District, Chongqing.

2. The nature of the business and the main business activities of the Company

The Company and its subsidiaries (hereinafter collectively referred to as "the Group") are mainly engaged in the construction industry, and the main business scope of the Group includes general contracting of housing construction and municipal infrastructure projects, various engineering construction activities, catering services, food business, accommodation services, bathing services, printing of packaging and decoration prints, management of tourist attractions, management of tourist scenic spots, management of scenic areas, land consolidation services, landscaping engineering construction, hotel management, non-residential real estate leasing, housing leasing, counter and stall leasing, fitness and leisure activities, laundry and dyeing services, wholesale of hardware products, retail of hardware products, sales of office supplies, manufacturing of metal accessories for construction, sales of building decoration materials, and property management.

3. The ultimate controller of the Company

The ultimate controller of the Company is the Chongqing Banan District State-owned Assets Management Center.

4. Authorizer and date of issuing the financial statements

The financial statements were authorized for issuance in accordance with the approval by the Board of Directors of the Company on 28 April 2022.

5. The scope of consolidated financial statements and its changes

As of 31 December 2021, there were 11 first-tier subsidiaries included in the scope of consolidation of the Group, and details refer to Note VIII "Equity in other entities". The scope of consolidation of the Group in the reporting period increased by 5 subsidiaries compared with the previous year, and details refer to Note VII "Changes in the scope of consolidation".

## **II Basis of preparation**

1. Basis of preparation

According to the actual events and transactions, the financial statements for the Company have been prepared on the basis of going concern and in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" issued by the Ministry of Finance (issued by No. 33 Order from the Ministry of Finance and revised by No. 76 Order from the Ministry of Finance), 41 specific accounting standards, the guidelines for the application of enterprise accounting standards, the interpretation of enterprise accounting standards and other relevant regulations promulgated and amended on and after 15 February 2006 (hereinafter collectively referred to as "Accounting Standards for Business Enterprises").

According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company's accounting is carried out on the accrual basis. Except some financial instruments and investment properties, the financial statements are measured on the basis of historical cost. If the asset is impaired, the corresponding impairment provision shall be made in accordance with the relevant regulations.

## 2. Going concern

The Company does not have any matters or circumstances that have significant doubts about the Company's ability to continue as a going concern for 12 months from the end of the reporting period.

## III Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements are in accordance with the requirements of the Accounting Standards for Business Enterprises, which have truly and completely presented the financial position of the Group as at 31 December 2021, its financial performance and cash flows for the year then ended, and other relevant information.

## IV Significant accounting policies and accounting estimates

### 1. Accounting period

The accounting period of the Group is divided into annual period and interim period. Interim accounting period refers to the reporting period shorter than a complete accounting year. The Group's accounting year adopts the Gregorian calendar year which begins on 1 January and ends on 31 December every year.

### 2. Operating cycle

The normal operating cycle starts from the purchase of the assets used for processing to the realization of the cash and cash equivalents. The Group takes 12 months as an operating cycle and uses it as the standard for dividing the liquidity of assets and liabilities.

### 3. Functional currency

Renminbi (RMB) is the currency used in the main economic environment in which the Group operates. The Group adopts RMB as the functional currency for accounting. The currency used by the Group in preparing the financial statements is RMB.

### 4. Accounting treatment for business combinations

Business combination refers to a transaction or event in which two or more separate enterprises are

combined to form a reporting entity. Business combinations are divided into business combinations under common control and business combinations not under common control.

(1) Business combination under common control

A business combination under common control is a business combination in which the enterprises involved in the combination are ultimately controlled by the same party or parties before and after the combination, and the control is not temporary. For business combination under common control, the party that obtains control over the other enterprises in the combination on the combination date is the combining party, and the other enterprises in the combination are the combined party. Combination date refers to the date on which the combining party actually obtains control over the combined party.

The assets and liabilities that acquired by the combining party in a business combination shall be measured at their book value in the combined party on the combination date. The difference between the book value of net assets acquired by the combining party and the book value of the consideration paid for the combination (or total par value of the shares issued) shall be adjusted to capital reserve (share premium). If the capital reserve (share premium) is insufficient to absorb the difference, any excess shall be adjusted against retained earnings.

The business combination costs that are directly attributable to the combination are recorded into the current profit and loss when they occur.

(2) Business combination not under common control

A business combination not under common control means that the enterprises involved in the combination are not ultimately controlled by the same party or parties before and after the combination. For business combination not under common control, the party that obtains control over the other enterprises in the combination on the acquisition date is the acquirer, and the other enterprises in the combination are the acquiree. Acquisition date refers to the date on which the acquirer actually obtains control over the acquiree.

For business combination not under common control, the cost of business combination is the aggregate of the fair value, on the acquisition date, of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree. The audit fees, valuation and consulting fees, legal service fees and other administrative expenses incurred in the business combination shall be recognized in the current profit or loss when they occur. Commissions and other expenses incurred in the business combination for the issuance of equity or debt securities shall be



included in the initial recognition amounts of equity or debt securities. Any contingent consideration involved shall be included in the combination cost according to its fair value on the acquisition date. If there is new or further evidence on the existing situation on the acquisition date emerging within 12 months after the acquisition date, the contingent consideration needs to be adjusted and the combination goodwill shall be adjusted accordingly. The combination cost incurred by the acquirer and the identifiable net assets obtained in the combination shall be measured at the fair value on the acquisition date. The difference of the combination costs higher than the fair value of the identifiable net assets obtained from the acquiree on the acquisition date shall be recognized as goodwill. If the combination costs are lower than the fair value of the identifiable net assets obtained from the acquiree, the acquirer shall review the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities acquired, as well as the combination costs; and if the combination cost is still lower than the fair value of the identifiable net assets of the acquiree obtained in the combination after the review, the difference shall be recorded into the current profit and loss.

For the deductible temporary difference of the acquiree that is being acquired and is not recognized on the acquisition date because the conditions for recognizing deferred tax assets are not met, it shall be recognized as the relevant deferred tax assets when the following conditions are met: (1) New or further evidence is obtained within 12 months after the acquisition date indicating that the relevant situation on the acquisition date already exists; (2) The economic benefits brought by the deductible temporary difference of the acquiree on the acquisition date are expected to be realized. In the meanwhile, the goodwill shall be reduced. If the goodwill is insufficient to be offset, the difference shall be recognized as the current profit and loss. In addition to the aforementioned situations, the deferred tax assets related to the business combination that are recognized shall be recorded into the current profit and loss.

For the business combination not under common control realized step by step through multiple transactions, it shall be determined whether the multiple transactions are identified as "package deal" in accordance with the "Notice on Issuing Interpretation of Accounting Standards for Enterprises No. 5 from the Ministry of Finance" (Cai Kuai [2012] No. 19) and the judgement criteria of "package deal" in the Article 51 of the "Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements" (refers to Note IV 5 "Preparation of consolidated financial statements"). If the multiple transactions are identified as "package deal", the accounting treatment refers to the previous

paragraphs of this part and Note IV 10 "Long-term equity investment". If the multiple transactions are not identified as "package deal", accounting treatment shall be carried out differently in individual and consolidated financial statements:

① In individual financial statements, the sum of the book value of equity investment in the acquiree held by the acquirer before the acquisition date and the increase in the cost of equity investment shall be recognized as the initial investment cost. If the equity investment in the acquiree before the acquisition date involves the other comprehensive income, when disposing the investment, the other comprehensive income related to the investment shall be accounted for on the same basis as that of the acquiree's direct disposal of the relevant assets or liabilities.

② In consolidated financial statements, equity investment in the acquiree held by the acquirer before the acquisition date shall be revalued at fair value on the acquisition date, and the difference between the fair value and the book value shall be recorded into the current investment income. If equity investment in the acquiree before the acquisition date involves other comprehensive income, the other comprehensive income related to the investment shall be accounted for on the same basis as that of the acquiree's direct disposal of the relevant assets or liabilities.

## 5. Preparation of consolidated financial statements

### (1) The scope of consolidated financial statements

The scope of consolidated financial statements shall be determined on the basis of control. Control exists when the Group has all the following: power over the investee; exposure, or rights to variable returns from its involvement in the investee; and the ability to use its power over the investee to affect the amount of the investment returns. The scope of consolidation includes the Group and all subsidiaries. A subsidiary is an entity that is controlled by the Group.

The Group will reassess the relevant elements of the above-mentioned definition of control as a result of changes in relevant facts and circumstances.

### (2) Preparation of consolidated financial statements

From the date of acquiring the subsidiary's net assets and actual control of production and operation decisions, the Group begins to include it in the scope of consolidation and exclude it from the scope of consolidation from the date of loss of actual control. For the disposed subsidiaries, the operating results and cash flows before the disposal date have been appropriately included in the consolidated income



statement and consolidated statement of cash flows; for the subsidiaries disposed in the current period, the opening balance of the consolidated balance sheet shall not be adjusted. The operating results and cash flows of subsidiaries increased by business combinations not under common control after the acquisition date have been appropriately included in the consolidated income statement and consolidated statement of cash flows, and the opening balance and comparative amounts of the consolidated financial statements shall not be adjusted. The operating results and cash flows of subsidiaries increased by business combinations under common control from the beginning of the current period of combination to the date of combination have been appropriately included in the consolidated income statement and consolidated statement of cash flows, and the comparative amounts of the consolidated financial statements shall be adjusted at the same time.

For any difference in accounting policies and accounting periods between the Group and its subsidiaries, necessary adjustments shall be made based on accounting policies and periods of the Group when consolidated financial statements are prepared. Financial statements of subsidiaries acquired not under common control shall be adjusted based on the fair value of identifiable net assets defined on the acquisition date.

All significant transaction balances, transactions and unrealized profits within the Group are offset in the preparation of the consolidated financial statements.

The portion of a subsidiary's equity and net profit and loss that is not attributable to the Group are treated as minority interests and presented separately under the equity item and net profit item in the consolidated financial statements. The portion of net profit or loss of subsidiaries for the period attributable to minority interests shall be presented in the consolidated income statement below the net profit line item as minority interests. When the amount of loss for the current period attributable to the minority shareholders' portion exceeds the opening balance of owners' equity of the subsidiary attributable to the minority shareholders' portion, the excess shall be allocated against the minority interests in the consolidated financial statements.

When the Group loses control over a former subsidiary due to disposal of partial equity investment or other reasons, the remaining part of the equity investment shall be re-measured at fair value on the date when the control over the investee is lost. The sum of consideration received from disposal of the equity investment and the fair value of the remaining equity investment, deducting the net assets proportion of the former subsidiary calculated by original share percentage since the acquisition date

shall be recorded into the investment income for the period when losing control. When the control is lost, the other comprehensive income related to the equity investment in former subsidiaries shall be accounted for on the same basis as that of the subsidiary's direct disposal of the relevant assets or liabilities. Subsequently, the remaining equity shall be measured in accordance with the "Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment" or "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", and details refer to Note IV 10 "Long-term equity investment" or Note IV 7 "Financial instruments".

If the Group disposes the equity investment in subsidiaries step by step through multiple transactions until losing the control, it is necessary to distinguish whether the transactions of disposing the equity investment in subsidiaries until losing the control is a package deal. When the parent company disposes the equity investment of its subsidiary and the trade terms, conditions and economic impact satisfy one or more of the following conditions, multiple transactions shall be accounted for as a package deal: a) These deals are concluded at the same time or under the conditions of considering the impact on each other; b) These transactions shall be bundled as a whole to achieve a complete business result; c) The occurrence of a deal depends on at least one of the other transactions; d) A deal is not economically feasible on its own but becomes economically feasible when combined with other deals. If the transactions are not a package deal, the accounting treatment for each transaction shall be carried out in accordance with the above-mentioned accounting policies for "Partial disposal of long-term equity investment in subsidiary without losing control over the subsidiary" (details refer to Note IV 10 "Long-term equity investment") and "The loss of control of the subsidiary resulted from the disposal of partial equity investment in subsidiary or other reasons" (details refer to the previous paragraph) respectively. When various transactions to dispose the equity investment of a subsidiary by the parent company till losing control over the subsidiary are a package deal, they shall be accounted for as one transaction for disposal of the equity investment which results in the loss of control. However, before the control is lost, the difference between each disposal income and the corresponding share of net assets of the subsidiary shall be recognized into other comprehensive income in the consolidated financial statement, and then the difference shall be transferred into the current profit and loss when the control is lost.

#### 6. Recognition standards of cash and cash equivalents

The Group's cash includes cash on hand and deposits that can be readily drawn on demand. Cash equivalents include the short-term (normally matured within three months after purchase date) and highly-liquid investments held by the Group which are readily convertible into known amounts of cash, subject to an insignificant risk of fluctuation in value.

## 7. Financial instruments

The Group recognizes a financial asset or financial liability on its balance sheet when the Group becomes a contractual party of financial instrument.

### (1) Classification, recognition and measurement of financial assets

According to the business model of financial assets managed by the Group and the contractual cash flow characteristics of financial assets, the financial assets of the Group are classified into financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

Financial assets are measured at fair value at the time of initial recognition. For financial assets at fair value through profit or loss, the relevant transaction costs are directly included in the current profit and loss, and the relevant transaction costs of other categories of financial assets are included in their initial recognition amount. For accounts receivable or notes receivable arising from the sale of goods or the rendering of services do not contain significant financing components, the amount of consideration expected to be entitled to receive shall be treated as the initial recognition amount.

#### i. Financial assets measured at amortized cost

The business model of the Group's Management of financial assets is to collect contractual cash flows, and the contractual cash flow characteristics of this kind of financial assets are consistent with the basic lending arrangement, that is, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, the Group shall use the effective interest rate method to carry out subsequent measurement according to the amortized cost, and the gains or losses arising from amortization or impairment shall be included in the current profit and loss.

#### ii. Financial assets at fair value through other comprehensive income

The business model of the Group's Management of financial assets is to collect contractual cash flows and sell of financial assets, and the contractual cash flow characteristics of this kind of financial assets

are consistent with the basic lending arrangement. Such financial assets are measured at fair value by the Group and their changes in fair value are included in other comprehensive income, but impairment losses or gains, exchange gains and losses and interest income calculated according to the effective interest rate method shall be included in the current profit and loss.

In addition, some non-tradable equity instrument investments are designated as financial assets at fair value through other comprehensive income by the Group. The Group shall record the relevant dividend income of such financial assets into the current profit and loss, and the changes of fair value into other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained earnings which shall not be included in the current profit and loss.

### iii. Financial assets at fair value through profit or loss

Except the above financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, other financial assets are classified as financial assets at fair value through profit or loss. In addition, at initial recognition, in order to eliminate or significantly reduce accounting mismatches, some financial assets are designated as financial assets at fair value through profit or loss. For such financial assets, fair value shall be used for subsequent measurement, and all changes in fair value shall be included in the current profit and loss.

## (2) Classification, recognition and measurement of financial liabilities

The Group's financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities when they are initially recognized. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recorded into the current profit and loss. For the other financial liabilities, relevant transaction costs are included in the initial recognition amounts.

### i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities (including derivatives belonging to the financial liabilities) and financial liabilities designated by the Group as measured at fair value through profit or loss for the initial recognition.

Trading financial liabilities (including derivatives belonging to the financial liabilities) shall be subsequently measured at fair value, and except related to the hedge accounting, the gains or losses arising from changes in fair value of derivatives are directly included in the current profit and loss.



For financial liabilities designated to be measured at fair value through profit or loss, the changes in fair value caused by changes in credit risk of companies are included in other comprehensive income. When such financial liabilities are derecognized, the accumulated changes in fair value caused by changes in credit risk of companies are transferred to retained earnings. Other changes in fair value are included in the current profit and loss. If the treatment of effects of changes in the financial liabilities' own credit risks in the above manner causes or expands the accounting mismatch in the profit or loss, the Group shall record all the gains or losses of such financial liabilities (including the impact amount of the change in the credit risk of the enterprise itself) into the current profit and loss.

#### ii. Other financial liabilities

Except the financial liabilities formed by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets and financing guarantee contracts, other financial liabilities are classified as financial liabilities measured at amortized cost which shall be subsequently measured at amortized cost, and the gains or losses arising from derecognition or amortization shall be included in the current profit and loss.

#### (3) Determination and measurement of transfer of financial assets

The Group derecognizes financial assets when it meets one of the following conditions:

- ① The contractual right to receive the cash flow of the financial asset is terminated;
- ② The financial asset has been transferred and almost all the risks and rewards of the ownership of the financial asset have been transferred to the transferee; and
- ③ The financial asset has been transferred. Although the enterprise has neither transferred nor retained almost all the risks and rewards of the ownership of the financial asset, it has given up the control over the financial asset.

If the Group has neither transferred nor retained almost all risks and rewards of the ownership of the financial assets, and the Group has not given up the control over the financial assets, the relevant financial assets shall be recognized according to the degree of continuous involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continuous involvement in the transferred financial assets refers to the risk level faced by the enterprise due to the change of the value of the financial assets.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the

transfer and the accumulated changes in fair value originally included in other comprehensive income shall be included in the current profit and loss.

If the partial transfer of financial assets meets the conditions for derecognition, the book value of the transferred financial assets shall be apportioned according to its relative fair value between the derecognized part and the non-derecognized part, and the difference between the aforesaid book value apportioned and the sum of the consideration received due to the transfer and the accumulated changes in fair value originally included in other comprehensive income that should be apportioned to the derecognized part shall be included in the current profit and loss.

The Group needs to determine whether almost all risks and rewards on the ownership of the financial assets have been transferred when it sells the financial assets with recourse or transfers the financial assets held by endorsement. If almost all the risks and rewards in the ownership of the financial asset have been transferred to the transferee, the financial asset shall be derecognized; if almost all the risks and rewards in the ownership of the financial asset have been retained, the financial asset shall not be derecognized; if almost all the risks and rewards in the ownership of the financial asset have not been transferred nor retained, it shall continue to judge whether the enterprise retains the control of the asset and the accounting treatment shall be performed in accordance with the principles described in the preceding paragraphs.

#### (4) Derecognition of financial liabilities

Only when the present obligations of a financial liability are relieved in all or in part, the recognition of the financial liability can be terminated in all or partly. Where the Group enters into an agreement with a creditor so as to substitute the existing financial liabilities by assuming a new financial liability, and if the contractual stipulations regarding the new financial liability is substantially different from that of the existing financial liability, it shall terminate the recognition of the existing financial liability and recognize the new financial liability at the same time.

Where the recognition of a financial liability is totally or partially terminated, the Group shall record the difference between the book value which has been terminated from recognition and the consideration which has been paid (including the non-cash asset which has been transferred out and the new financial liability which has been assumed) into the current profit and loss.

#### (5) Offset of financial assets and financial liabilities

When the Group has legal rights to offset the recognized financial assets and financial liabilities, and



this kind of legal rights is currently executable, and the Group plans to settle in net amount, or realize the financial assets and settle the financial liabilities at the same time, financial assets and financial liabilities are presented in the balance sheet at the amount after offsetting each other. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet, not offsetting each other.

(6) Methods for determining the fair value of financial assets and financial liabilities

Fair value is the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. If there is an active market for a financial instrument, the Group uses the quoted price in the active market to determine its fair value. The quoted price in the active market refers to the price that can be easily obtained from exchanges, brokers, industry associations, pricing service agencies, etc. on a regular basis, and represents the price of market transactions that occur in fair transactions. If there is no active market for a financial instrument, the Group uses valuation techniques to determine its fair value. Valuation techniques include reference to the prices used in recent market transactions by parties familiar with the situation and voluntary transactions, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method, and option pricing models, etc. At the time of valuation, the Group adopts valuation techniques that are applicable under the current circumstances and are supported by sufficient available data and other information, selects input values consistent with the characteristics of the assets or liabilities considered by market participants in the transactions of relevant assets or liabilities, and uses relevant observable input values as much as possible. When the relevant observable input value cannot be obtained or is not feasible to be obtained, the non-input value shall be used.

(7) Equity instrument

Equity instruments refer to contracts that can prove the remaining equity of the Group's assets after deducting all liabilities. The Group's issuance (including refinancing), repurchases, sale or cancellation of equity instruments shall be treated as changes in equity. Transaction costs related to equity transactions are deducted from equity. The Group does not recognize changes in fair value of equity instruments.

The distribution of dividends (including the "interests" generated by the instruments classified as equity instruments) during the period of existence of the Group's equity instruments shall be treated as

profit distribution.

#### 8. Impairment of financial assets

The financial assets that the Group needs to recognize the impairment loss are financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, and lease receivables, mainly including notes receivable, accounts receivable, receivables financing, other receivables, debt investments, other debt investments, long-term receivables, etc. In addition, for contract assets and some financing guarantee contracts, the provision for impairment and the recognition of credit impairment loss are also made according to the accounting policies mentioned in this section.

##### (1) The recognition method of impairment provision:

Based on the expected credit loss, the Group accrues the impairment provision and recognizes the credit impairment loss according to the applicable expected credit loss measurement method (general method or simplified method) for each of the above items.

Credit loss refers to the difference between all contractual cash flows receivable and all cash flows expected to be collected which are both discounted by the Group at the original effective interest rate, that is, the present value of all cash shortages. Among them, for the financial assets purchased or generated by the Group with credit impairment, they shall be discounted according to the effective interest rate adjusted by credit.

The general method for the measurement of expected credit loss refers to the Group's assessment on each balance sheet date of whether the credit risk of financial assets (including other applicable items such as contract assets, the same below) has increased significantly since the initial recognition. If the credit risk has increased significantly since the initial recognition, the Group measures the loss provision based on the amount equivalent to the expected credit loss during the entire duration. If the credit risk has not increased significantly since the initial recognition, the Group measures the loss provision based on the amount equivalent to the expected credit loss within the next 12 months. When assessing the expected credit loss, the Group considers reasonable and reliable information including forward-looking information.

For the financial instrument with lower credit risk on the balance sheet date, the Group assumes that its credit risk has not increased significantly since the initial recognition, and chooses to measure the loss

provision based on the expected credit loss within the next 12 months.

(2) Criteria for judging whether credit risk has increased significantly since the initial recognition:

If the default probability of a financial asset in the expected duration determined on the balance sheet date is significantly higher than that in the expected duration determined at the initial recognition, it indicates that the financial asset's credit risk has increased significantly. Except special circumstances, the Group adopts the change in default risk that occurs within the next 12 months as a reasonable estimate of the change in default risk that occurs in the whole duration to determine whether the credit risk has increased significantly since the initial recognition.

(3) Portfolio method for assessing expected credit risk based on portfolio.

The Group separately evaluates credit risk for financial assets with significantly different credit risks, such as: receivables in dispute with the other party or involving litigation and arbitration; receivables with obvious signs indicating that the debtor is likely to be unable to fulfill the repayment obligation, etc.

In addition to the financial assets that individually evaluate credit risk, the Group divides financial assets into different groups based on common risk characteristics and assesses the credit risk on a portfolio basis.

(4) Accounting treatment for impairment of financial assets

At the end of the reporting period, the Group calculates the estimated credit loss of various financial assets. If the estimated credit loss is greater than the current book value of the impairment provision, the difference shall be recognized as an impairment loss; if it is less than the current book value of the impairment provision, the difference shall be recognized as an impairment gain.

(5) Methods for determining credit losses of various financial assets

① Accounts receivable

For accounts receivable and contract assets without significant financing components, the Group measures the loss provision based on the amount equivalent to the expected credit loss amount within the entire duration.

For accounts receivable, contract assets and leases receivable with significant financing components, the Group chooses to always measure the loss provision based on the amount equivalent to the expected credit loss amount within the duration.

Except accounts receivable with individual credit risk assessment, others are divided into different

portfolios based on their credit risk characteristics:

Item	Basis for determining portfolio
Accounts receivable:	
Portfolio 1	This portfolio includes receivables from non-related parties
Portfolio 2	This portfolio includes receivables from government units and enterprises under the Chongqing Banan District State-owned Assets Supervision and Administration Commission (hereinafter referred to as the "Banan District SASAC")

## ② Other receivables

Based on whether the credit risk of other receivables has increased significantly since the initial recognition, the Group adopts the amount equivalent to the expected credit loss within the next 12 months or the entire duration to measure the impairment loss. Except other receivables with individual credit risk assessment, others are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining portfolio
Portfolio 1	This portfolio includes receivables from non-related parties
Portfolio 2	This portfolio includes receivables from government units and enterprises under the Banan District SASAC, and security deposits
Portfolio 3	This portfolio includes receivables from related parties, finance lease deposits, employee petty cash, payments on behalf of others, fund supervision accounts, etc.

## 9. Inventory

### (1) Classification of inventory

The Group's inventories mainly include raw materials, goods in stock, revolving materials, consumptive biological assets, development products and development costs.

### (2) Pricing method for inventories acquired and delivered

Inventories are priced at actual cost at the time of acquisition, and the cost of inventories includes purchase costs, conversion costs and other costs. The pricing of inventories received and delivered is determined by the first-in-first-out method.

### (3) Determination of net realizable value and method of provision for impairment of inventories

The net realizable value refers to the amount of the estimated selling price of the inventory minus the



estimated cost to be incurred at the time of completion; the estimated selling expenses and the relevant taxes in daily activities. When determining the net realizable value of the inventory, it shall be based on the conclusive evidence obtained, taking into account the purpose of holding the inventory and the impact of events after the balance sheet date.

On the balance sheet date, the inventory is measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, the impairment provision on the inventory shall be made. The impairment provision on the inventory is usually made according to the difference between the cost of a single inventory item and its net realizable value. For the inventory with large quantity and low unit price, the impairment provision on the inventory shall be made according to the category of inventory; for the inventory related to product series produced and sold in the same region, with the same or similar end use or purpose, and which is difficult to be measured separately from other items, the impairment provision on the inventory shall be made in combination.

After making the impairment provision on the inventory, if the factors that previously written down the value of the inventory have disappeared, resulting in the net realizable value of inventory higher than its book value, it shall be reversed within the amount of the original impairment provision on the inventory, and the reversed amount shall be included in the current profit and loss.

(4) The Group adopts the perpetual inventory system for the inventory taking.

(5) Amortization method for low-value consumables and packages

Low-value consumables and packages are amortized by the one-off amortization method when they are used.

#### 10. Long-term equity investment

Long-term equity investment refers to the long-term equity investment that the Group has control, joint control or significant influence on the investee. The long-term equity investment that the Group does not have control, joint control or significant influence on the investee shall be accounted for as a financial asset at fair value through profit or loss. If it is non trading, the Group can choose to designate it as a financial asset at fair value through other comprehensive income at the initial recognition. The details of its accounting policy refer to Note IV 7 "Financial Instruments".

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

#### (1) Initial measurement

If the long-term equity investment is obtained in business combination under common control, the initial cost of the investment is the book value of the share of the acquiree's equity in the consolidated financial statements of the ultimate controller at the acquisition date. The difference between cash paid, the book value of the non-monetary asset exchanged and the acquiree's liabilities assumed and the initial cost of the long-term equity investment should be adjusted to capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the acquirer issues equity securities as consideration, the initial cost is the book value of the share of the acquiree's equity in the consolidated financial statements of the ultimate controller at the acquisition date. Amount of share capital equal to the face value of the shares issued. The difference between initial cost of the long-term equity investment and the face value of shares issued shall be adjusted to capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the equity of the acquiree under common control is acquired step by step through multiple transactions, and the business combination under common control is ultimately formed, it shall be handled separately: whether it is the "package deal"; if it is the "package deal", each transaction shall be accounted for as a transaction obtaining the control; if it is not the "package deal", the share of the book value of the acquiree's equity in the consolidated financial statements of the ultimate controller on the date of combination shall be taken as the initial investment cost of the long-term equity investment. The difference between the initial investment cost of the long-term equity investment and the sum of the book value of the long-term equity investment before the combination plus the book value of the newly paid consideration for the shares on the combination date shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. For the equity investment held before the combination date, other comprehensive income accounted under equity method or recognized from financial assets at fair value through other comprehensive income shall not be accounted for temporarily.

For the long-term equity investment obtained from the business combination not under common control, the initial investment cost of the long-term equity investment shall be the combination cost on the acquisition date. The combination cost includes the sum of the assets paid by the acquirer, the



liabilities incurred or undertaken, and the fair value of the issued equity securities. If the equity of the acquiree is acquired step by step through multiple transactions, and the business combination not under common control is ultimately formed, it shall be handled separately whether it is the "package deal": if it is the "package deal", each transaction shall be accounted as a transaction obtaining the control; if it is not the "package deal", the sum of the book value of the equity investment originally held by the acquiree plus the newly increased investment cost shall be taken as the initial investment cost of the long-term equity investment measured at cost. If the originally held equity is accounted for under equity method, the relevant other comprehensive income shall not be accounted for temporarily.

The business combination costs that are directly attributable to the combination, such as audit fees, valuation fees, legal service fees and other administrative expenses are recognized in the current profit and loss when they occur.

For the long-term equity investment obtained in any method other than business combination, other equity investment shall be initially measured at cost. The cost shall be determined respectively according to the actual cash purchase price paid by the Group, the fair value of equity securities issued by the Group, the value agreed in the investment contract or agreement, the fair value or original book value of assets exchanged in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment, etc. based on the different ways of obtaining the long-term equity investment. Expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investment are also included in the investment cost. If the additional investment can have a significant influence on the investee or implement joint control but does not constitute control, the cost of long-term equity investment shall be the sum of the fair value of the original equity investment determined in accordance with the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" plus the cost of newly increased investment.

## (2) Subsequent measurement

The equity method is used when the Group has joint control (excluding the joint operation) or significant influence over the investee. The cost method is used when the Group has control over the investee.

### a) Long-term equity investment under cost method

The long-term equity investment under cost method shall be priced in accordance with the initial investment cost. Additional investment or recovered investment shall be adjusted to the cost of

long-term equity investment. Unless the price or consideration actually paid of obtaining the investment includes cash dividends or profits that are declared but not yet paid, the current investment income shall be recognized according to the cash dividends or profits declared and paid by the investee.

b) Long-term equity investment under equity method

For the long-term equity investment under equity method, when the initial cost of long-term equity investments exceeds the Group's interest in the fair value of identifiable net assets of the investee, the initial cost of the long-term equity investment shall not be adjusted; when the initial cost of long-term equity investments is less than the share of the fair value of identifiable net assets of the investee, the difference is recorded into the current profit and loss and the cost of the long-term equity investment shall be adjusted at the same time.

When the equity method is adopted for accounting, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profit and loss and other comprehensive income realized by the investee that should be enjoyed or shared, and the book value of long-term equity investment shall be adjusted at the same time. The book value of long-term equity investment shall be reduced accordingly according to the profit or cash dividend declared to be distributed by the investee. For other changes in the owners' equity of the investee other than net profit and loss, other comprehensive income and profit distribution, the book value of the long-term equity investment shall be adjusted accordingly and recorded into capital reserve. When confirming the share of the net profit and loss of the investee, the net profit of the investee shall be recognized after the adjustment based on the fair value of all identifiable assets of the investee at the time of investment. When the accounting policies adopted by the investee are different from those adopted by the Group, the financial statements of the investee shall be adjusted, and the investment income and other comprehensive income shall be recognized according to the Group's accounting policies. For transactions between the Group, associates and joint ventures, if the assets invested or sold do not constitute a business, the unrealized internal transaction profit and loss shall be offset according to the proportion attributable to the Group, and the investment profit and loss shall be recognized accordingly. However, if the unrealized internal transaction losses between the Group and the investee is classified as impairment loss of transferred assets, the loss shall not be offset. If the assets invested by the Group to a joint venture or an associate constitute a business, and the investor obtains the long-term equity investment but does not obtain the control right, the fair value of the invested business shall be taken as

the initial investment cost of the new long-term equity investment, and the difference between the initial investment cost and the book value of the invested business shall be included in the current profit and loss in full. If the assets sold by the Group to a joint venture or an associate constitute a business, the difference between the consideration obtained and the book value of the business shall be included in the current profit and loss in full. If the assets purchased by the Group from joint ventures or associates constitute a business, the accounting treatment shall be carried out in accordance with the "Accounting Standards for Business Enterprises No. 20 - Business Combination", and the gains or losses related to the transaction shall be recognized in full.

The net loss incurred by the investee shall be recognized based on the book value of the long-term equity investment and other investments essentially constituting the long-term equity of the investee till the book value is reduced to zero. In addition, if the Group has the obligation to undertake extra losses for the investee, it should recognize the accrued liabilities according to the expected obligations and record them in the current investment loss. Once the investee realizes net profit in the subsequent period, the Group starts recognizing its share of profits after the share of previously unrealized losses has been recovered.

c) Purchase of minority interests

In the preparation of consolidated financial statements, the difference between the newly increased long-term equity investment which is due to the purchase of minority equity and the share of net assets of the subsidiary calculated continuously from the acquisition date (or combination date) according to the newly increased shareholding ratio shall be adjusted to the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

d) Disposal of long-term equity investments

In the consolidated financial statements, the parent company disposes part of the long-term equity investment in the subsidiary without losing the control, and the difference between the disposal price and the amount of long-term equity investment in relation to its share of net asset in the subsidiary shall be included in the owners' equity; if the parent company disposes part of the long-term equity investment in the subsidiary, resulting in the loss of the control, it shall be treated in accordance with the relevant accounting policies described in Note IV 5 (2) "Preparation of consolidated financial statements".

For the disposal of long-term equity investments under other circumstances, the difference between the

book value of the disposed equity and the price obtained shall be included in the current profit and loss.

For the long-term equity investment measured under equity method, if the remaining equity after disposal is still measured under equity method, the other comprehensive income originally included in the owners' equity shall be accounted on the same basis as the investee's direct disposal of relevant assets or liabilities according to the corresponding proportion. The owners' equity recognized due to changes in the owners' equity of the investee other than net profit and loss, other comprehensive income and profit distribution shall be carried forward to the current profit and loss in proportion.

For the long-term equity investment measured under cost method, if the remaining equity is still measured under cost method after disposal, the other comprehensive income recognized by equity method or determined from the recognition and measurement standard of financial instrument before obtaining the control over the investee shall be accounted on the same basis as the investee's direct disposal of relevant assets or liabilities, and shall be carried forward to the current profit and loss in proportion; The owners' equity recognized due to changes in the owners' equity of the investee other than net profit and loss, other comprehensive income and profit distribution under equity method shall be carried forward to the current profit and loss in proportion.

If the Group loses control in a subsidiary due to partial disposal of equity investment but can still exercise joint control or exert significant influence on the investee, the measurement of long-term equity investment shall be changed from the cost method to the equity method in the individual financial statements, and the remaining equity shall be deemed to be adjusted by equity method when it is acquired. If the remaining equity after disposal cannot exercise joint control or exert significant influence on the investee, it shall be accounted according to the relevant provisions of recognition and measurement standards of financial instruments, and the difference between the fair value and book value on the date of loss of control shall be included in the current profit and loss. Before the Group obtains the control over the investee, the other comprehensive income recognized by equity method or determined from the recognition and measurement standard of financial instrument shall be accounted on the same basis as the investee's direct disposal of relevant assets or liabilities when the control over the investee is lost. The owners' equity recognized due to changes in the owners' equity of the investee other than net profit and loss, other comprehensive income and profit distribution shall be carried forward to the current profit and loss when the control over the investee is lost. Among them, if the



remaining equity after disposal is accounted by equity method, other comprehensive income and other owners' equity shall be carried forward in proportion; if the remaining equity after disposal is changed to be accounted according to the recognition and measurement standards of financial instruments, the other comprehensive income and other owners' equity shall be carried forward in full.

If the Group loses joint control or significant influence on the investee due to the disposal of part of equity investment, the remaining equity after disposal shall be accounted according to the recognition and measurement standards of financial instruments, and the difference between the fair value and book value on the date of losing joint control or significant influence shall be included in the current profit and loss. Other comprehensive income of the original equity investment recognized by the equity method shall be accounted on the same basis as the investee's direct disposal of relevant assets or liabilities when the equity method is ceased to be used. The owners' equity recognized by the investee due to changes in the owners' equity other than net profit and loss, other comprehensive income and profit distribution shall be fully transferred into the current investment income when the equity method is ceased to be used.

The Group disposes the equity investment in subsidiaries step by step through multiple transactions until the control is lost. If the above transactions are a package deal, each transaction shall be treated as a transaction to dispose the equity investment in subsidiaries and lose the control for accounting treatment. Before the loss of control, the difference between the price of each disposal and the book value of the long-term equity investment corresponding to the disposed equity shall be first recognized as other comprehensive income, and then transferred to the current profit and loss when the control is lost.

#### (1). Investment property

Investment property refers to the properties held for generating rent and / or capital appreciation or both, including: a) A land use right that is leased out; b) A land use right held and ready to be transferred after appreciation; c) A building that is leased out.

The initial measurement of the investment property shall be made at its cost. The subsequent expenditures related to the investment property shall be recognized as the cost when the following conditions are satisfied: a) It is probable that future economic benefits associated with the assets will flow into the Group; b) The cost of the assets can be measured reliably. Otherwise, they shall be

recorded into the current profit and loss when they occur.

The Group shall use the fair value model for subsequent measurement of the investment property, and the basis for accounting policy selection is as follows:

- ① There is an active real estate transaction market in the location of investment property;
- ② The Group can obtain the market price and other relevant information of the same or similar real estate from the real estate transaction market, so as to make a reasonable estimate of the fair value of the investment property.

The Group does not accrue depreciation or amortization of the investment property, and adjusts its book value based on the fair value of the investment property on the balance sheet date. The difference between the fair value and the original book value is included in the current profit and loss.

When determining the fair value of the investment property, it shall refer to the current market price of the same or similar real estate in an active market; if the current market price of the same or similar real estate cannot be obtained, it shall refer to the latest transaction price of the same or similar real estate in an active market, and consider the transaction situation, transaction date, region and other factors, so as to make a reasonable estimate of the fair value of the investment property; or the fair value shall be determined on the basis of the present value of the expected future rental income and relevant cash flow.

When the self-use property or inventory is converted into the investment property, it shall be valued according to the fair value on the date of conversion. If the fair value on the date of conversion is less than the original book value, the difference shall be included in the current profit and loss; if the fair value on the date of conversion is greater than the original book value, the difference shall be recognized as other comprehensive income. When the investment property is converted into the self-use property, the fair value on the date of conversion shall be taken as the book value of the self-use property, and the difference between the fair value and the original book value shall be included in the current profit and loss.

When the purpose of investment property is changed to self-use, the investment property shall be converted into fixed assets or intangible assets from the date of change. When the purpose of the self-use property is changed to earn rent or capital appreciation, the fixed assets or intangible assets shall be converted into investment property from the date of change. When a conversion occurs, if it is converted into the investment property measured by cost model, the book value before conversion



shall be taken as the entry value after conversion; in case of conversion into the investment property measured by fair value model, the fair value on the conversion date shall be taken as the entry value after conversion.

When the investment property is disposed, or is permanently withdrawn from use, and it is expected that no economic benefits can be obtained from its disposal, the recognition of the investment property shall be terminated. The disposal income from the sale, transfer, scrap or damage of the investment property shall be included in the current profit and loss after deducting its book value and relevant taxes and surcharges.

## 12. Fixed assets

### (1) Recognition conditions of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes with useful life more than one year. A fixed asset shall be initially recognized at cost when the following conditions have been satisfied: a) It is probable that future economic benefits associated with the assets will flow into the Group; b) The cost of the assets can be measured reliably. Fixed assets are initially measured at cost and taking into account the impact of estimated abandonment costs.

### (2) Depreciation methods for fixed assets

The fixed assets shall be depreciated by using the straight-line method within the useful life from the next month when the fixed assets reach the expected usable state. The useful life, estimated residual value and annual depreciation rate of fixed assets are shown as follows:

Category	Depreciation period (Year)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	10-30	3.00-5.00	3.23-9.70
Transportation	3-8	3.00-5.00	12.13-32.33
Pipe network	10-30	3.00-5.00	3.23-9.70
Electronic equipment and others	3-10	3.00-5.00	9.70-32.33

The estimated net residual value refers to the amount obtained by the Group from the disposal of the fixed assets after deducting the estimated disposal expenses, assuming that the expected useful life of the fixed assets has been completed and is in the expected state at the end of the useful life.

### (3) Impairment test method and impairment provision method for fixed assets

Details of the impairment test method and impairment provision method for fixed assets refer to Note IV 17 "Impairment of long-term assets".

### (4) Fixed assets acquired under finance lease

The Group identifies a lease of asset as finance lease when substantially all the risks and rewards incidental to legal ownership of the asset are transferred, and its ownership may or may not be transferred eventually. The depreciation method of fixed assets acquired under finance lease is consistent with that for depreciable assets owned by the Group. If the Group can reasonably confirm that it will obtain the ownership of leased asset at the end of lease term, the leased asset shall be depreciated during the useful life of the leased asset. If the Group cannot reasonably confirm that it will obtain the ownership of leased asset at the end of lease term, the leased asset shall be depreciated over shorter of the useful life of the leased asset and the lease term.

### (5) Other information

Subsequent expenditure relating to a fixed asset, if the economic benefits related to the fixed asset are probable to flow in and their costs can be reliably measured, shall be included in the cost of the fixed asset and the book value of the replaced part shall be derecognized. Other subsequent expenditures shall be included in the current profit and loss when they occur.

When a fixed asset is in a disposal state or it is expected to produce no economic benefits through use or disposal, the recognition of the fixed asset shall be terminated. The difference of the disposal income from the sale, transfer, scrap or damage of fixed assets after deducting the book value and relevant taxes shall be included in the current profit and loss.

The Group reviews the useful life, estimated residual value and depreciation method of a fixed asset at the end of each financial year. If there are changes in useful life, estimated residual value and depreciation method, they shall be treated as changes in accounting estimates.

## 13. Construction in progress

Construction in progress is recorded at actual costs incurred which include all project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the expected usable status and other related costs, etc. The Group transfers construction in progress to fixed assets when the project reaches the expected usable status.

Details of the impairment test method and impairment provision method for construction in progress refer to Note IV.17 "Impairment of long-term assets".

#### 14. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary costs and exchange differences arising from foreign currency borrowings, etc. When the borrowing costs incurred by the Group can be directly attributable to the acquisition and construction or production of assets which are eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets when the following requirements are simultaneously met: a) The asset disbursements have already incurred; b) The borrowing costs have already incurred; c) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started. When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased. Other borrowing costs shall be recorded into the current profit and loss when they occur.

The amount of interest expenses actually incurred in the current period of a special borrowing after deducting the interest income from unused borrowing funds deposited in the bank or the investment income from temporary investment shall be capitalized. The capitalization amount of a general borrowing is the capitalization rate of the general borrowing used multiplied by the portion of the weighted average asset disbursement, which is calculated by deducting the special loan from the accumulative asset disbursements. The capitalization rate shall be calculated and determined based on the weighted average interest rate of the general borrowing.

During the period of capitalization, the foreign exchange differences on foreign currency specific borrowings shall be capitalized; exchange differences on foreign currency general borrowings shall be recorded into the current profit and loss.

Assets eligible for capitalization refer to assets such as fixed assets, investment property, inventories and other assets which need to go through the acquisition and construction or production activities for quite a long time to reach the intended use or status for sale.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended, till the acquisition and construction or production of the asset restarts.

## 15. Intangible assets

### (1) Intangible assets

Intangible assets are identifiable non-monetary asset that are owned or controlled by the Group and are without physical substance.

An intangible asset is initially measured at its cost. Subsequent expenditure relating to an intangible asset, if the economic benefits related to the intangible asset are probable to flow in and their costs can be reliably measured, shall be included in the cost of the intangible asset. Other subsequent expenditures shall be included in the current profit and loss when they occur.

The acquired land use right is usually accounted for as an intangible asset. For self-development and construction of buildings such as factories, etc., the related land use right expenditures and building construction costs are accounted for as intangible assets and fixed assets respectively. For houses and buildings purchased, the relevant price shall be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them are treated as fixed assets.

Intangible assets with limited useful life shall be averagely amortized by the straight-line method within the expected useful life of the original value minus the estimated net residual value and the accumulated amount of the impairment provision accrued from the time they are available for use. Intangible assets with uncertain useful life shall not be amortized.

At the end of the reporting period, for an intangible asset with limited useful life, the useful life and amortization method shall be reviewed, if there is any change incurred, it shall be treated as an accounting estimation change. In addition, for an intangible asset with uncertain useful life, the useful life shall be reviewed, if there is any evidence indicated that the duration of bringing economic benefits to the Group from an intangible asset is foreseeable, then estimate its useful life and amortize it in accordance with the amortization policy of intangible assets with limited useful life.

### (2) Research and development expenses

The expenditure from the internal research and development project of the Group shall be classified as the expenditure in research stage and in development stage.

The expenditures in research stage shall be recorded into the current profit and loss when they occur.

The expenditures in development stage shall be recognized as intangible assets that should meet all the conditions as follows, otherwise shall be recorded into the current profit and loss:



- ① It is technically feasible to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally;
- ④ It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;
- ⑤ The development expenditures of the intangible assets can be reliably measured.

If it is impossible to distinguish the expenditure from the research stage or development stage, all the R&D expenditures incurred shall be recorded into the current profit and loss.

### (3) Impairment test method and impairment provision method for intangible assets

Details of the impairment test method and impairment provision method for intangible assets refer to Note IV 17 "Impairment of long-term assets".

## 16. Long-term deferred expenses

Long-term deferred expenses are defined as expenses incurred, which should be recorded in the current period and subsequent periods with an amortization period of more than one year. The Group's long-term deferred expenses mainly include office decoration costs. Long-term deferred expenses are amortized on a straight-line basis during the expected benefit period.

## 17. Impairment of long-term assets

For fixed assets, constructions in progress, intangible assets with limited useful life, investment properties measured at fair value, long-term equity investments in subsidiaries, joint ventures and associates, and other non-current non-financial assets, the Group judges 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. The Group shall conduct impairment tests each year on goodwill, intangible assets with uncertain useful life and intangible assets that not reach the usable status yet no matter whether indication that an asset may be impaired exists or not.

If the result of impairment test indicates that the book value of an asset is higher than its recoverable

amount, impairment provision should be made and recorded into the impairment loss based on the difference. Recoverable amount is measured as the higher of an asset's fair value less disposal costs and the present value of estimated future cash flows. The fair value of the asset is determined according to the sales agreement price in the fair transaction; if there is no sales agreement but there is an active market for the asset, the fair value is determined according to the buyer's bid for the asset; if there is no sales agreement and an active market for the asset, the fair value of the asset is estimated based on the best information available. Disposal costs include legal expenses, relevant taxes and handling expenses related to the disposal of assets and direct expenses incurred to make the assets reach a saleable state. The present value of the expected future cash flow of the asset shall be determined according to the expected future cash flow generated in the process of continuous use and final disposal of the asset, and the appropriate discount rate shall be selected to discount the amount. If there is any indication that an asset may be impaired, the Group usually estimates its recoverable amount on an individual item basis. However, if it's not possible to estimate recoverable amount of the individual asset, the Group should determine the recoverable amount of the asset group which the asset belongs to. An asset group is the smallest group of assets that can independently generates cash inflows.

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

Once impairment loss is recognized, it cannot be reversed in the subsequent financial periods.

#### 18. Contract liabilities

Contract liabilities refer to the obligation of the Group to transfer goods to customers for the consideration received or receivable from customers. If the customer has paid the contract consideration or the Group has obtained the unconditional right to receive payment before the Group



transfers the goods to the customer, the Group shall, at the earlier point in time between the actual payment by the customer and the payment due, present the receipt or receivable as a contract liability. The contract assets and liabilities under the same contract are presented in net amount, and the contract assets and liabilities under different contracts are not offset.

#### 19. Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, and termination benefits.

Short-term employee benefits include salary, bonus, allowance & subsidy, employee welfare, medical insurance, work-related injury insurance, maternity insurance, housing provident fund, union funds & employee education expenses and non-monetary welfares, etc. The actual short-term employee benefits shall be recognized as the debt during the accounting period when the employees provide service and included in the current profit and loss or the cost of relevant assets, and the non-monetary welfare shall be measured at fair value.

Post-employment benefit plans are defined contribution plans, which mainly include basic endowment insurance, unemployment insurance and annuity, etc., and the corresponding amount payable shall be included in the cost of the relevant asset or the current profit and loss when the defined contribution plan occurs. The Group has not yet operated a defined benefit plan or other long-term employee benefits that meet the conditions of a defined benefit plan.

To terminate the labor relationship with the employee before the expiration of the labor contract, or to propose compensation to encourage employees to voluntarily accept the layoff, the employees' compensation liabilities arising from the termination benefits are recognized and included in the current profit and loss at the earlier date of the two following situations: (1) the Group is unable to unilaterally withdraw the termination benefits provided by terminating the labor relationships plans or the layoff proposals; (2) the Group recognizes the costs or expenses in connection with the reorganization involving the termination benefits.

Employee internal retirement plans shall be handled according to the same principles as above for termination benefits. The salaries and social insurance premiums to be paid to the early retired employees from the date when the employees stop providing services to the normal retirement date, when they meet the conditions for the recognition of accrued liabilities, shall be included in the current

profit and loss (termination benefits).

## 20. Revenue

Revenue refers to the total inflows of economic benefits that are formed in the daily activities of the Group that will increase the equity of shareholders and have nothing to do with the capital invested by shareholders. When the contract between the Group and the customer meets the following conditions at the same time, the revenue shall be recognized when the customer obtains the control of the relevant goods (including labour services, the same below): 1) all parties to the contract have approved the contract and promised to perform their respective obligations; 2) the contract specifies the rights and obligations of the parties related to the transferred goods or the rendering of labour services; 3) the contract has clear payment terms related to the transferred goods; 4) the contract has commercial substance, that is, the performance of the contract will change the risk, time distribution or amount of the future cash flow of the Group; and 5) the consideration that the Group is entitled to obtain due to the transfer of goods to customers is likely to be recovered. Among them, obtaining the control of related goods means being able to dominate the use of the goods and obtain almost all economic benefits from them.

On the start date of the contract, the Group identifies the individual performance obligations in the contract, and apportions 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 factors such as variable consideration, major financing components in the contract, non-cash consideration, and consideration payable to customers are considered.

For each individual performance obligation in the contract, if one of the following conditions is met, the Group shall recognize the transaction price apportioned to the individual performance obligation as revenue according to the performance progress during the relevant performance period: 1) the customer obtains and consumes the economic benefits brought by the Group's performance at the same time as the Group's performance; 2) customers can control the goods under construction during the performance of the Group; and 3) the goods produced during the performance of the Group have irreplaceable uses, and the Group has the right to collect the payment for the part of the contract that has been completed so far. The performance progress is determined by the input method or the output

method according to the nature of the transferred goods. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the revenue shall be recognized based on the amount of the cost incurred until the performance progress can be reasonably determined.

If one of the above conditions is not met, the Group shall recognize the revenue based on the transaction price apportioned to the individual performance obligation at the time when the customer obtains the control of the relevant good. When judging whether the customer has obtained the control of the good, the Group shall consider the following signs: 1) the enterprise has the current right to collect the payment for the good, that is, the customer has the current payment obligation for the good; 2) the enterprise has transferred the legal ownership of the good to the customer, that is, the customer already has the legal ownership of the good; 3) the enterprise has transferred the good to the customer in kind, that is, the customer has physically taken possession of the good; 4) the enterprise has transferred the major risks and rewards of the ownership of the good to the customer, that is, the customer has obtained the major risks and rewards of the ownership of the good; 5) the customer has accepted the good; and 6) other signs that the customer has obtained the control of the good.

The Group's revenue mainly includes revenue from land consolidation, revenue from agent construction, revenue from the use by others of the Group's assets, revenue from water supply business, and revenue from security services.

#### (1) Land consolidation revenue

For the Company's land consolidation revenue, after the land consolidation is completed and reaches the conditions of five supplies and one leveling, the land is handed over to the government department of Banan District. After the handover, the government department can control the land, the transfer of land control can be confirmed, and the revenue shall be recognized according to the settlement information agreed by both parties.

#### (2) Revenue from the use by others of the Group's assets

When the Company and its subsidiaries lease out the real estates, the revenue shall be recognized according to the benefit period enjoyed by customers according to the lease contracts signed with customers.

#### (3) Agent construction revenue

For the Group's agent construction revenue, after the completion of the project, the government shall

use the bid section to buy back the completed project. After the project is handed over to the government, the revenue shall be recognized according to the settlement information agreed by both parties.

(4) Revenue from water supply business

The water supply business of the Group usually only includes the performance obligation of the transfer of goods. After the customer uses tap water, the control of the good is transferred, and the Group recognizes the realization of revenue at this time point.

(5) Revenue from security services

According to the service contract signed with the serviced unit, the revenue shall be recognized according to the performance progress of the contract.

## 21. Government grants

Government grant refers to the monetary assets and non-monetary assets obtained by the Group from the government free of charge, excluding the capital invested by the government as an investor to gain the corresponding owners' equity. Government grants are comprised of government grants related to income and government grants related to asset. A government grant related to asset is a grant obtained by the Group used for purchase or construction, or forming the long-term assets by other ways. Otherwise, the government grant is treated as a government grant related to income. If the government document does not specify the grantee, based on the basic conditions that must be met to obtain the grants, those that form long-term assets by purchase and construction or other methods are regarded as government grants related to asset, and others are classified as government grants related to income.

If the government grants are monetary assets, they shall be measured according to the amount received or receivable. If the government grants are non-monetary assets, they shall be measured at fair value. If the fair value cannot be obtained reliably, they shall be measured at nominal amount. The government grants measured according to the nominal amount shall be directly included in the current profit and loss.

The Group usually recognizes and measures the government grants according to the actual amount received when they are received. However, if there is conclusive evidence at the end of the period that the relevant conditions specified in the financial support policy can be met and the financial support fund is expected to be received, it shall be measured according to the amount receivable. The



government grants measured according to the receivable amount shall meet the following conditions at the same time: (1) the amount of the receivable subsidies has been confirmed by the authorized government department, or can be calculated reasonably according to the relevant provisions of the officially issued financial fund management measures, and it is expected that there is no significant uncertainty in the amount; (2) it is based on the financial support projects and financial fund management measures officially released by the local financial department and proactively disclosed in accordance with the "Regulations on Government Information Disclosure", and those management measures shall be inclusive (any enterprise that meets the specified conditions can apply for it), rather than specially formulated for specific enterprises; (3) the relevant grant approval documents have clearly committed to the appropriation period, and the appropriation of the funds has the corresponding financial budget as the guarantee that it can be received within the specified period.

The government grants related to asset shall be recognized as deferred income and included in the current profit and loss within the useful lives of the relevant assets in a reasonable and systematic way.

The government grants related to income shall be treated respectively in accordance with the circumstances as follows: 1) Those subsidies used for compensating the related future expenses or losses shall be recognized as deferred income and shall be included in the current profit and loss or offset the relevant costs during the period when the relevant costs or losses are recognized; 2) Those subsidies used for compensating the related expenses or losses incurred shall be directly included in the current profit and loss.

The different parts of government grants that include both asset-related and income-related subsidies shall be distinguished for different accounting treatments. If the different parts of the government grants are difficult to distinguish, they should be classified as income-related government grants as a whole.

The government grant which is related to daily activities of the Group shall be recognized as other income or offset the related costs according to the substance of the economic business; otherwise, it shall be recorded into non-operating income and expenses.

If it is necessary to refund any government grant which has been recognized, it shall be treated respectively in accordance with the circumstances as follows. If there is the deferred income concerned, the book balance of the deferred income shall be offset against, and the excessive part shall be included in the current profit and loss. In other cases, it shall be directly included in the current profit

and loss.

## 22. Deferred tax asset / Deferred tax liability

### (1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current period and previous periods shall be measured by the expected amount of income tax payable (or returned) calculated in accordance with the provisions of the tax law. The taxable income on which the current income tax expenses are calculated shall be calculated after the adjustments of the pre-tax accounting profit of the current year according to the relevant tax law.

### (2) Deferred tax assets and deferred tax liabilities

The difference between the book value of certain assets and liabilities and their tax bases, and the temporary difference caused by the difference between the book value of the items that are not recognized as assets and liabilities but whose tax bases can be determined according to the tax law and their tax bases, shall be recognized as deferred tax assets and deferred tax liabilities by using the balance sheet liability method.

The deferred tax liabilities shall not be recognized for the taxable temporary differences related to the initial recognition of goodwill and the initial recognition of assets or liabilities arising from transactions that are neither business combination nor affect the accounting profit and taxable income (or deductible loss) when they occur. In addition, for the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, if the Group can control the time when the temporary differences are reversed, and the temporary differences are unlikely to be reversed in the foreseeable future, the relevant deferred tax liabilities shall not be recognized. Except for the above exceptions, the Group recognizes all other deferred tax liabilities arising from taxable temporary differences.

The deferred tax assets shall not be recognized for the deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither business combination nor affect the accounting profit and taxable income (or deductible loss) when they occur. In addition, for the deductible temporary differences related to the investments in subsidiaries, associates and joint ventures, if the temporary differences are unlikely to be reversed in the foreseeable future, or it is unlikely to obtain taxable income that can be used to offset temporary differences in the future, the



relevant deferred tax assets shall not be recognized. Except for the above exceptions, the Group recognizes all other deferred tax assets arising from deductible temporary differences to the extent of the taxable income, which is probable to be obtained by the Group to offset the deductible temporary differences.

For the deductible losses and tax deductions that can be carried forward in subsequent years, the corresponding deferred tax assets shall be recognized to the extent of the future taxable income, which is probable to be obtained and used to offset the deductible losses and tax deductions.

On the balance sheet date, the deferred tax assets and deferred tax liabilities shall be measured according to the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be paid off in accordance with the tax law.

On the balance sheet date, the book value of the deferred tax assets shall be reviewed. If it is probable that sufficient taxable income will not be obtained in the future to offset the benefits of the deferred tax assets, the book value of the deferred tax assets shall be written down. When it is probable to obtain sufficient taxable income, the amount written down shall be reversed.

#### (3) Income tax expense

Income tax expense includes current income tax and deferred income tax.

Except that the current income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly included in the owners' equity are included in other comprehensive income or owners' equity, and the book value of goodwill is adjusted by the deferred income tax arising from business combinations, other current income tax and deferred income tax expenses or income shall be included in the current profit and loss.

#### (4) Offset of income tax

When the Group has the legal right to settle at a net amount and intends to settle at a net amount or acquire assets and pay off liabilities at the same time, the current income tax assets and current income tax liabilities of the Group shall be presented at the net amount after offset.

When the Group has the legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax administration department on the same taxpayer or different taxpayers, but in the future, during each period when the significant deferred tax assets and liabilities are reversed, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis, or

acquire assets and pay off liabilities at the same time, the deferred tax assets and deferred tax liabilities of the Group shall be presented at the net amount after offset.

## 23. Lease

Lease refers to a contract in which the Group transfers or obtains the right to control the use of one or more identified assets within a certain period of time in exchange for or paying consideration. On the start date of a contract, the Group assesses whether the contract is a lease or contains a lease.

### (1) The Group as the lessee

#### ① Initial measurement

On the start date of the lease term, the Group recognizes the right to use the leased asset within the lease term as a right-of-use asset, and recognizes the present value of unpaid lease payments as a lease liability, excluding short-term leases and leases of low-value assets. When calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the lessee's incremental borrowing interest rate shall be used as the discount rate.

#### ② Subsequent measurement

The Group depreciates the right-of-use assets with reference to the relevant depreciation provisions of the "Accounting Standards for Business Enterprises No. 4 - Fixed Assets" (details refer to the Note IV 12 "Fixed assets"). If it can reasonably determine that the ownership of the leased asset is obtained at the expiration of the lease term, the Group accrues depreciation within the remaining useful 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, the Group accrues depreciation within the shorter period of the lease term and the remaining useful life of the leased asset.

For lease liabilities, the Group calculates the interest expenses of each period within the lease term at a fixed periodic interest rate, which is included in the current profit and loss. The variable lease payments that are not included in the measurement of lease liabilities shall be included in the current profit and loss.

After the start of the lease term, when the actual fixed payment changes, the expected payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, renewal option or termination option

change, the Group remeasures the lease liability based on the present value of the lease payment after the change, and adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group shall include the remaining amount in the current profit and loss.

#### ③ Short-term leases and low-value asset leases

For short-term leases (leases whose lease term does not exceed 12 months at the start of the lease) and low-value asset leases, the Group adopts a simplified treatment method, does not recognize the right-of-use assets and lease liabilities, and in each period of the lease term, the lease payment is included in the relevant asset cost or current profit and loss according to the straight-line method or other systematic and reasonable methods.

The type of the Group's leased assets is mainly houses. For short-term leases and low-value asset leases of the Group, the Group adopts a simplified treatment method, does not recognize right-of-use assets and lease liabilities, and in each period of the lease term, the lease payment is included in the relevant asset costs or current profit and loss according to the straight-line method or other systematic and reasonable methods.

#### (2) The Group as the lessor

Based on the essence of the transaction, the Group divides the lease into financial lease and operating lease on the start date of lease. A finance lease is a lease that substantially transfers almost all the risks and rewards related to the ownership of the leased asset. Leases other than finance leases are operating leases.

Operating lease: The Group adopts the straight-line method to recognize the lease receipts from operating leases as rental income for each period of the lease term. The variable lease payments related to operating leases that are not included in the lease receipts shall be included in the current profits and losses when they occur.

### 24. Changes in significant accounting policies and accounting estimates

#### (1) Changes in accounting policies

##### ① Changes in accounting policies resulting from the implementation of new financial instrument standards

On 31 March 2017, the Ministry of Finance issued "Accounting Standards for Business Enterprises No.

22 - Recognition and Measurement of Financial Instruments (Revised in 2017)" (Cai Kuai [2017] No. 7), "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets (Revised in 2017)" (Cai Kuai [2017] No. 8) and "Accounting Standards for Business Enterprises No. 24 - Hedge Accounting (Revised in 2017)" (Cai Kuai [2017] No. 9) respectively. On 2 May 2017, the Ministry of Finance issued "Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (Revised in 2017)" (Cai Kuai [2017] No. 14) (the above standards are hereinafter collectively referred to as "new financial instrument standards"), requiring the non-listed enterprises under Accounting Standards for Business Enterprises to implement the new financial instrument standards from 1 January 2021.

The Group has implemented the new financial instrument standards from 1 January 2021.

Under the new financial instrument standards, all recognized financial assets are subsequently measured at the amortized cost or fair value. On the implementation date of the new financial instrument standards, the business model of managing financial assets shall be evaluated based on the existing facts and circumstances of the Group on that day, and the contractual cash flow characteristics of the financial assets shall be evaluated based on the facts and conditions at the time of initial recognition of the financial assets. The financial assets are divided into three categories: measured at amortized cost, measured at fair value through other comprehensive income and measured at fair value through profit or loss. Among them, for the equity instrument investments measured at fair value through other comprehensive income, when the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained earnings, and will not be included in the current profit and loss.

Under the new financial instrument standards, based on the expected credit loss, the Group accrues impairment provisions of financial assets measured at amortized cost, contract assets, debt instrument investments measured at fair value through other comprehensive income, lease receivables and financial guarantee contracts, and recognizes credit impairment losses.

The Group applies the new financial instrument standards retroactively. However, if the classification and measurement (including impairment) involving the previous comparative financial statements data are inconsistent with the new financial instrument standards, the Group chooses not to restate. Therefore, for the cumulative impact of the first implementation of the standards, the Group has adjusted the amount of retained earnings or other comprehensive income and other related items in the



financial statements at the beginning of 2021. The financial statements of 2020 have not been restated. The main changes and impacts of the implementation of the new financial instrument standards on the Group are as follows:

Some non-tradable equity investments held by the Group have been designated as financial assets at fair value through other comprehensive income on and after 1 January 2021, and presented as other equity instrument investments.

The equity investment in Chongqing Chengnan Water Co., Ltd. held by the Group has been regarded as a financial asset at fair value through profit or loss on and after 1 January 2021, and presented as other non-current financial assets.

#### A. Comparison table of classification and measurement of financial assets before and after the first implementation date

##### a. Impact on consolidated financial statements

31 December 2020 (Before change)			1 January 2021 (After change)		
Item	Measurement category	Book value	Item	Measurement category	Book value
Accounts receivable	Amortized cost	3,080,027,611.45	Accounts receivable	Amortized cost	3,087,349,490.38
Other receivables	Amortized cost	1,274,277,420.83	Other receivables	Amortized cost	1,273,745,388.13
Available-for-sale financial assets	Cost equity instrument	38,970,000.00	Other equity instrument investments	Fair value through other comprehensive income	39,809,284.06
			Other non-current financial assets	Fair value through profit or loss	300,000.00

B. On the first implementation date, the book value of the original financial assets is adjusted to the book value of the new financial assets classified and measured according to the new financial instrument standards.

##### a. Impact on consolidated financial statements

Measurement category	31 December 2020 (Before change)	Reclassification	Remeasurement	1 January 2021 (After change)
Amortized cost:				
Accounts receivable	3,080,027,611.45			
Remeasurement: Estimated credit loss provision			-1,678,121.07	

Measurement category	31 December 2020 (Before change)	Reclassification	Remeasurement	1 January 2021 (After change)
Balance listed in accordance with new financial instrument standards				1,087,549,490.38
<b>Other receivables</b>	1,274,277,420.83			
Remeasurement: Estimated credit loss provision			-532,032.70	
Balance listed in accordance with new financial instrument standards				1,273,745,388.13
<b>Cost (equity instrument):</b>				
<b>Available-for-sale financial assets (old standards)</b>	38,970,000.00			
Less: Transfer out to other equity instrument investments		38,970,000.00		
Less: Transfer out to other non-current financial assets		300,000.00		
Balance listed in accordance with new financial instrument standards				—
<b>Fair value through other comprehensive income:</b>				
<b>Other equity instrument investments</b>	—			
Add: Transfer in from available-for-sale financial assets (old standards)		38,670,000.00		
Remeasurement: Remeasurement at fair value			1,139,284.06	
Balance listed in accordance with new financial instrument standards				39,809,284.06
<b>Fair value through profit or loss:</b>				
<b>Other non-current financial assets</b>	—			
Add: Transfer in from available-for-sale financial assets (old standards)		300,000.00		
Balance listed in accordance with new financial instrument standards				300,000.00

C. On the first implementation date, the reconciliation statement of impairment provisions of financial assets

a. Impact on consolidated financial statements

Measurement category	31 December 2020 (Before change)	Reclassification	Remeasurement	1 January 2021 (After change)
<b>Amortized cost:</b>				



Measurement category	31 December 2020 (Before change)	Reclassification	Remeasurement	1 January 2021 (After change)
Impairment provisions of accounts receivable	248,985.32		1,678,121.077	1,927,106.397
Impairment provisions of other receivables	30,753,531.02		532,032.70	31,285,563.720

D. Impact on retained earnings and other comprehensive income as at 1 January 2021

Item	Consolidated retained earnings	Consolidated surplus reserve	Consolidated other comprehensive income
31 December 2020	1,382,202,080.45		463,230,988.61
1. Remeasurement of other equity instrument investments reclassified from available-for-sale financial assets			854,463.04
2. Remeasurement of impairment of receivables	-1,666,748.86		
1 January 2021	1,380,535,331.59		464,085,451.65

② Changes in accounting policies resulting from the implementation of new revenue standards

According to the "Accounting Standards for Business Enterprises No. 14 - Revenue (Revised in 2017)" (Cai Kuai [2017] No. 22) (hereinafter referred to as "new revenue standards") issued by the Ministry of Finance on 5 July 2017, the Group has implemented the new revenue standards from 1 January 2021.

The new revenue standard establishes a new revenue recognition model for regulating the revenue generated from contracts with customers. In order to implement the new revenue standards, the Group reassessed the recognition and measurement, accounting and presentation of major contracts revenues. According to the provisions of the new revenue standards, the Group chose to only adjust the cumulative impacts of contracts that have not been completed on 1 January 2021, and simplify the treatment of contract changes that occur before the beginning of the earliest comparable period (i.e., 1 January 2020) or before 1 January 2021, that is, according to the final arrangement of the contract changes, to identify the performance obligations that have been fulfilled and the performance obligations that have not been fulfilled, determine the transaction price, and share the transaction price between the performance obligations that have been fulfilled and the performance obligations that have not been fulfilled. The cumulative impacts of the first implementation adjusted the amount of retained earnings and other related items in the financial statements at the beginning of the first implementation.

period (i.e., 1 January 2021), but did not adjust the information of the comparable period.

The main changes and impacts of the implementation of new revenue standards are as follows:

The Company has changed the contract consideration received from customers in advance due to the transfer of goods from the item of "Advance from customers" to the item of "Contract liabilities".

A. Impact on the financial statements as at 1 January 2021

Item	31 December 2020 (Before change)		1 January 2021 (After change)	
	Consolidated financial statements	The Company's financial statements	Consolidated financial statements	The Company's financial statements
Advance from customers	1,473,880,000.21		897,085.17	
Contract liabilities			1,404,139,761.51	
Other current liabilities			68,043,101.53	

B. Impact on the financial statements as at 31 December 2021 and for 2021

Compared the items in the consolidated and the Company's balance sheets as at 31 December 2021 and the items in the consolidated and the Company's income statements for 2021 prepared by adopting the accounting policies after changes with those items prepared by adopting the accounting policies before changes, the comparison of the affected items is as follows:

a. Impact on balance sheets as at 31 December 2021

Item	31 December 2021 (Under new revenue standards)		31 December 2021 (Under old revenue standards)	
	Consolidated financial statements	The Company's financial statements	Consolidated financial statements	The Company's financial statements
Advance from customers	1,970,512.35		1,262,662,273.12	
Contract liabilities	1,046,306,289.46			
Other current liabilities	55,000,148.19			
Other non-current liabilities	178,165,323.12			

③ Changes in accounting policies resulting from the implementation of new lease standards

According to the "Accounting Standards for Business Enterprises No. 21 - Lease (Revised in 2018)" (Cai Kuan [2018] No. 35) (hereinafter referred to as "new lease standards") issued by the Ministry of Finance on 7 December 2018, the Group has implemented the new lease standards from 1 January 2021.

There was no impact on the financial statements of the Group due to the implementation of the new

lease standards.

(2) Changes in accounting estimates

There were no changes in accounting estimates during the reporting period.

## V Taxation

### 1. Main tax categories and tax rates

Tax category	Tax rate
Value-added tax	The output tax shall be calculated at tax rate of 13% of taxable turnover, and the value-added tax shall be accrued and paid according to the difference after deducting the input tax allowed to be deducted in the current period. The collection rates for simplified taxation are 3% and 5%.
Urban maintenance & construction tax	Accrued and paid at 7% or 5% of the turnover tax actually paid.
Educational surcharge	Accrued and paid at 3% of the turnover tax actually paid.
Local educational surcharge	Accrued and paid at 2% of the turnover tax actually paid.
Corporate income tax	Accrued and paid at 25% of taxable income.

### 2. Tax preference and approval

There was no tax preference and approval for the reporting period.

## VI Notes to the consolidated financial statements

With respect to the following data disclosed in the Financial Statements, unless otherwise stated:

“Closing balance” refers to the balance on 31 December 2021; “Opening balance” refers to the balance on 1 January 2021; All amounts are denominated in RMB unless otherwise stated.

### 1. Cash and cash equivalents

#### (1) Details of cash and cash equivalents

Item	Closing balance	Opening balance
Cash on hand	1,017,004.47	195,790.86
Bank deposits	1,466,620,904.29	1,869,680,217.73
Other cash and cash equivalents	19,035,414.10	483,650,000.00
Total	1,486,673,322.86	2,353,526,008.59

(2) The details for restricted cash and cash equivalents are as follows:

Item	Closing balance	Opening balance
Security deposits for bank acceptance bills	19,000,000.00	388,000,000.00
Time deposits or call deposits for guarantees		95,650,000.00
Total	19,000,000.00	483,650,000.00

Note: As of 31 December 2021, the details of restricted cash and cash equivalents due to the pledge refer to Note VI 52 "Assets with restricted ownership or right of use".

## 2. Accounts receivable

(1) Accounts receivable disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	1,351,265,089.60	3,088,588,847.57
1-2 years (including 2 years)	693,189,062.19	535,948.40
2-3 years (including 3 years)	247,207,714.85	
3-4 years (including 4 years)	1,759,127.60	
4-5 years (including 5 years)		151,800.96
Over 5 years	151,800.96	
Sub-total	2,293,572,795.20	3,689,276,596.93
Less: Bad debt provisions	3,367,872.45	1,927,106.55
Total	2,290,204,922.75	3,687,349,490.38

(2) Accounts receivable disclosed by the accrual method of bad debt provisions

Category	Closing balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with single provision for bad debts					

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with provision for bad debts based on the portfolio	2,293,572,795.20	100.00	3,367,872.45	0.15	2,290,204,922.75
Portfolio 1	32,321,768.69	1.41	1,106,722.70	3.42	31,215,045.99
Portfolio 2	2,261,251,026.51	98.59	2,261,149.75	0.10	2,258,989,876.76
Total	2,293,572,795.20	100.00	3,367,872.45	—	2,290,204,922.75

(Continued)

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with single provision for bad debts					
Accounts receivable with provision for bad debts based on the portfolio	3,089,276,596.93	100.00	1,927,106.55	0.06	3,087,349,490.38
Portfolio 1	1,473,293,818.12	47.69	312,585.48	0.02	1,472,981,232.64
Portfolio 2	1,616,022,778.81	52.31	1,614,521.07	0.10	1,614,408,257.74
Total	3,089,276,596.93	100.00	1,927,106.55	—	3,087,349,490.38

1) Accounts receivable adopting the other method to make bad debt provisions in the portfolio

Name	Closing balance		
	Book balance	Accrual proportion (%)	Bad debt provision
Portfolio 2	2,261,251,026.51	0.10	2,261,149.75
Total	2,261,251,026.51	—	2,261,149.75

2) Accounts receivable adopting the aging analysis method to make bad debt provisions in the portfolio

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual proportion (%)
Within 1 year (including 1 year)	30,400,846.23		
1-2 years (including 2 years)	9,993.90	999.39	10.00
2-3 years (including 3 years)			
3-4 years (including 4 years)	1,739,127.60	953,922.35	54.23
4-5 years (including 5 years)			
Over 5 years	151,800.96	151,800.96	100.00
Total	32,321,768.69	1,106,722.70	—

(Continued)

Aging	Opening balance		
	Book balance	Bad debt provision	Accrual proportion (%)
Within 1 year (including 1 year)	1,472,566,068.76		
1-2 years (including 2 years)			
2-3 years (including 3 years)	535,948.40	160,784.52	30.00
3-4 years (including 4 years)			
4-5 years (including 5 years)	151,800.96	151,800.96	100.00
Over 5 years			
Total	1,473,253,818.12	312,585.48	—

(3) Impairment provision on accounts receivable

Item	Opening balance	Increase			
		Accrual	Business combination	Other	Total
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	1,927,106.55	754,517.75	686,248.15		1,440,765.90
Accounts receivable with single provision for bad debts					
Total	1,927,106.55	754,517.75	686,248.15		1,440,765.90

(Continued)



Item	Decrease						Closing balance
	Reversal due to the recovery of asset value	Charge-off	Write-off	Business combination	Other	Total	
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics							3,367,872.45
Accounts receivable with single provision for bad debts							
Total							3,367,872.45

(4) The top five accounts receivable based on the closing balance

Name	Relationship with the Company	Book balance	Bad debt provision	Aging	Proportion in total of accounts receivable (%)
Chongqing Bannan District Land Consolidation Reserve Center	Government department	1,159,564,089.34	1,159,564.09	0-2 years	50.56
Chongqing Bannan District Culture and Tourism Management Committee	Government department	1,008,896,503.37	1,008,896.50	Within 1 year	47.91
Guangjingkou Reservoir Construction Headquarters Office	Non-related party	0,488,767.54		Within 1 year	0.41
Chongqing Bannan Economic Park Development & Construction Co., Ltd.	Non-related party	3,264,447.60		Within 1 year	0.15
Concrete material sales	Non-related party	2,728,865.12		Within 1 year	0.12
Total		2,274,076,403.17	2,268,460.59		99.15

### 3. Prepayments

(1) Prepayments categorized by aging

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	3,421,324.78	36.03	90,734,505.84	86.28

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
1-2 years (including 2 years)	765,113.35	8.06	12,035,676.14	11.44
2-3 years (including 3 years)	5,042,125.37	53.11	2,266,024.00	2.15
3-4 years (including 4 years)	266,024.00	2.80	133,000.00	0.13
Total	9,444,587.50	100.00	105,169,205.98	100.00

(2) Significant prepayments with aging over one year

Debtor	Creditor	Closing balance	Aging	Unsettled reason
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Sisheng Construction Co., Ltd.	4,822,624.71	2-3 years	Not settled
Total		4,822,624.71		

(3) The top five prepayments based on the closing balance

Name	Book balance	Proportion in total of prepayments (%)
Sisheng Construction Co., Ltd.	4,822,624.71	50.79
The People's Government of Mudong Town, Banan District, Chongqing	1,000,000.00	10.53
Chongqing Red Dragonfly Huijun Grain and Oil Co., Ltd.	1,714,500.00	18.06
Banan District Xiaolui Grain and Oil Wholesale Department	165,109.34	1.74
Yudong Gas Station fuel card recharge	63,795.43	0.67
Total	7,766,119.48	81.79

#### 4. Other receivables

(1) Classification of other receivables

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	2,328,716.93	
Other receivables	3,071,503,771.89	1,273,745,388.14
Total	3,073,832,488.82	1,273,745,388.14

## (2) Dividends receivable

## 1) Details of dividends receivable

Item	Closing balance	Opening balance
Chongqing Yujiao Technology and Trade Group Co., Ltd.	2,328,716.93	
Sub-total	2,328,716.93	
Less: Bad debt provisions		
Total	2,328,716.93	

## (3) Other receivables

## 1) Other receivables disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	1,188,598,055.20	732,908,226.06
1-2 years (including 2 years)	1,387,041,981.31	358,695,054.90
2-3 years (including 3 years)	353,616,056.78	134,428,538.19
3-4 years (including 4 years)	94,716,532.18	29,058,338.03
4-5 years (including 5 years)	29,025,005.03	25,605,189.90
Over 5 years	30,679,120.90	
Sub-total	3,084,576,751.40	1,280,695,347.08
Less: Bad debt provisions	13,072,979.51	6,949,958.94
Total	3,071,503,771.89	1,273,745,388.14

## 2) Other receivables disclosed by nature

Nature	Closing balance	Opening balance
Receivables from government units	1,759,514,385.06	192,689,610.68
Receivables from non-related parties	21,605,043.29	16,508,759.32
Funds lending	92,917,911.77	93,330,000.00
Security deposits	192,267,067.22	14,202,669.48
Payments on behalf of others	32,133,044.27	11,374,967.12
Receivables from enterprises under the Banan District SASAC	981,146,833.01	947,246,152.81
Other	4,992,464.78	5,343,187.67
Sub-total	3,084,576,751.40	1,280,695,347.08

Nature	Closing balance	Opening balance
Less: Bad debt provisions	13,072,979.51	6,949,958.94
Total	3,071,503,771.89	1,273,745,388.14

### 3) Impairment provisions on other receivables

Item	Opening balance	Increase			
		Accrual	Business combination	Other	Total
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	6,949,958.94	6,123,020.57			6,123,020.57
Other receivables with single provision for bad debts					
Total	6,949,958.94	6,123,020.57			6,123,020.57

(Continued)

Item	Decrease						Closing balance
	Reversal due to the recovery of asset value	Charge-off	Write-off	Business combination	Other	Total	
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics							13,072,979.51
Other receivables with single provision for bad debts							
Total							13,072,979.51

### 4) Details of accrual of bad debt provisions

Bad debt provision	The first stage	The second stage	The third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss in the entire duration (no credit impairment)	Expected credit loss in the entire duration (credit impairment has occurred)	
Opening balance	6,949,958.94			6,949,958.94
Opening balance in the current period:				
-Transfer to the second stage				
-Transfer to the third stage				
-Reversal to the second stage				

Had debt provision	The first stage	The second stage	The third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss in the entire duration (no credit impairment)	Expected credit loss in the entire duration (credit impairment has occurred)	
-Reversal to the first stage				
Accrual in the current period	6,123,020.57			6,123,020.57
Reversal in the current period				
Charge-off in the current period				
Write-off in the current period				
Other changes				
Closing balance	13,072,979.51			13,072,979.51

5) Top five other receivables based on the closing balance

Name	Nature	Closing balance	Aging	Proportion in total of other receivables (%)	Closing balance of had debt provision
Chongqing Banan District Cultural Tourism Industry Development Management Committee Office	Receivable from the government unit	711,312,816.81	Within 1 year	23.06	
Chongqing Banan District Land Consolidation Reserve Center	Receivable from the government unit	710,855,370.94	0-2 years	23.05	710,855.37
Chongqing Banan Economic Park Development & Construction Co., Ltd.	Receivable from the enterprise under the Banan District SASAC	560,679,258.34	0-2 years	18.18	560,679.26
Chongqing Chengnan Water Conservancy Development Co., Ltd.	Receivable from the enterprise under the Banan District SASAC	218,914,116.11	1-3 years	7.10	
Banan Dam Area Work Management Committee of Chongqing Changjiang Niananhai Power Station Project	Receivable from the government unit	111,908,850.00	1-2 years	3.63	111,908.85
Total		2,312,760,412.20		75.02	1,383,553.48

6) Other receivables adopting the aging analysis method to make bad debt provisions

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual proportion (%)
Within 1 year (including 1 year)	4,049,228.27		

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual proportion (%)
1-2 years (including 2 years)	3,238,285.75	323,828.58	10.00
2-3 years (including 3 years)	640,524.44	192,157.33	30.00
3-4 years (including 4 years)	3,742,419.95	1,871,209.98	50.00
4-5 years (including 5 years)	10,211,467.94	7,888,405.56	77.25
Over 5 years	382,236.62	382,236.62	100.00
Total	22,284,162.97	10,657,838.07	—

(Continued)

Aging	Opening balance		
	Book balance	Bad debt provision	Accrual proportion (%)
Within 1 year (including 1 year)	2,557,248.72		
1-2 years (including 2 years)	957,702.84	95,770.28	10.00
2-3 years (including 3 years)	4,169,554.44	1,250,866.33	30.00
3-4 years (including 4 years)	10,987,353.87	4,875,283.84	44.37
4-5 years (including 5 years)	382,236.62	191,118.31	50.00
Over 5 years			
Total	19,054,096.49	6,413,038.76	—

## 5. Inventories

### (1) Classification of inventories

Item	Closing balance		
	Book balance	Impairment provision	Book value
Raw materials	3,589,245.78	235,581.69	3,353,664.09
Goods in stock	2,425,820.76		2,425,820.76
Revolving materials	47,364.40		47,364.40
Consumptive biological assets	3,663,554.59		3,663,554.59
Development products	1,129,531,640.19		1,129,531,640.19
Development costs	11,640,948,818.66		11,640,948,818.66



Item	Closing balance		
	Book balance	Impairment provision	Book value
Total	12,780,206,444.38	235,581.69	12,779,970,862.69

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
Raw materials	1,579,185.19		1,579,185.19
Goods in stock	2,024,825.00		2,024,825.00
Revolving materials	37,072.45		37,072.45
Consumptive biological assets	3,598,060.09		3,598,060.09
Development products	456,597,878.24		456,597,878.24
Development costs	12,015,235,212.98		12,015,235,212.98
Total	12,479,072,233.95		12,479,072,233.95

(2) Changes in impairment provisions on inventories

Item	Opening balance	Increase in the current period			
		Accrual	Business combination	Other	Subtotal
Raw materials		235,581.69			235,581.69
Total		235,581.69			235,581.69

(Continued)

Item	Decrease in the current period						Closing balance
	Reversal due to the recovery of asset value	Charge-off	Write-off	Business combination	Other	Subtotal	
Raw materials							235,581.69
Total							235,581.69

6. Other current assets

Item	Closing balance	Opening balance
Time certificates of deposit	110,000,000.00	
Financial products		2,500,000.00

Item	Closing balance	Opening balance
Prepaid taxes		33,857,309.21
VAT withholding allowance	7,393,657.97	1,031,559.52
Total	117,393,657.97	37,388,868.73

Note: As of 31 December 2021, the details of restricted other current assets due to the pledge refer to Note VI 52 "Assets with restricted ownership or right of use".

#### 7. Long-term receivables

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Security deposits for finance leases				134,606,697.98		134,606,697.98
Total				134,606,697.98		134,606,697.98

#### 8. Other equity instrument investments

##### (1) Details of other equity instrument investments

Item	Closing balance	Opening balance
Chongqing Banan District Daojiao Water Supply Co., Ltd.	210,000.00	210,000.00
Chongqing Banan Pufa Rural Bank Co., Ltd.	6,557,394.97	5,795,823.99
Chongqing Banan Xingnong Financing Guarantee Co., Ltd.	30,623,023.64	30,343,460.07
Chongqing Guanjingkou Water Conservancy Development Co., Ltd.	800,000.00	800,000.00
Chongqing Yujiao Technology and Trade Group Co., Ltd.	2,660,000.00	2,660,000.00
Chongqing Chengyi Water Conservancy Development Co., Ltd.	30,490,000.00	
Total	71,340,418.61	39,809,284.06

##### (2) Details of non-tradable equity instrument investments

Item	Dividend income recognized in the current period	Accumulated gain	Accumulated loss	Amount transferred from other comprehensive income to retained earnings	Reason for designation at fair value through other comprehensive income	Reason for the transfer of other comprehensive income to retained earnings
Chongqing Bannan District Daoliu Water Supply Co., Ltd.	2,128,716.93				Management's intention	
Chongqing Bannan Pufa Rural Bank Co., Ltd.		795,821.90			Management's intention	
Chongqing Bannan Xingrong Financing Guarantee Co., Ltd.		625,023.64			Management's intention	
Chongqing Guangyinkou Water Conservancy Development Co., Ltd.					Management's intention	
Chongqing Nuzhen Technology and Trade Group Co., Ltd.					Management's intention	
Chongqing Chengyi Water Conservancy Development Co., Ltd.					Management's intention	
Total	2,128,716.93	1,418,847.82				

#### 9. Other non-current financial assets

Item	Closing balance	Opening balance
Classified as financial assets at fair value through profit or loss		300,000.00
Including: Debt instrument investments		300,000.00
Total		300,000.00

#### 10. Investment properties

(1) Investment properties that are subsequently measured at fair value

Item	Opening balance of fair value	Increase in the current period			
		Purchase	Transfer from self-use property or inventory	Gains from changes in fair value	Other
I. Total costs	1,135,200,032.79	305,270,609.55			159,319,503.83
(1) Houses and buildings	1,135,200,032.79	305,270,609.55			159,319,503.83
II. Total changes in fair value	838,676,294.84			41,351,379.30	
(1) Houses and buildings	838,676,294.84			41,351,379.30	
III. Total book value	1,973,876,327.63				
(1) Houses and buildings	1,973,876,327.63				

(Continued)

Item	Decrease in the current period		Closing balance of fair value
	Disposal	Transfer to self-use property	
I. Total costs	8,532,459.41		1,591,257,686.76
(1) Houses and buildings	8,532,459.41		1,591,257,686.76
II. Total changes in fair value	2,796,133.05		877,231,541.09
(1) Houses and buildings	2,796,133.05		877,231,541.09
III. Total book value			2,468,489,227.85
(1) Houses and buildings			2,468,489,227.85

Note 1: The fair value of the investment property of the subsidiary Chongqing Banan Highway Construction Investment Co., Ltd. was evaluated by Chongqing Zhongchao Asset Valuation and Real Estate & Land Appraisal Co., Ltd., and the asset appraisal report of Zhongchao Ping-Bao Zi (Asset) [2022] No. 4 was issued.

Note 2: The fair value of the investment properties of the subsidiary Chongqing Buyuan Construction Investment Co., Ltd. and the sub-subsidiary Chongqing Chuangtu Real Estate Co., Ltd. was evaluated

by Chongqing Hengji Land Real Estate Evaluation Co., Ltd. and the asset appraisal reports of Chong Hengji Zi Ping Bao Zi [2022] No. 50007 and Chong Hengji Zi Ping Bao Zi [2022] No. 50006 were issued respectively.

Note 3: The amount of RMB 130,406,049.00 in "Other" of "Increase in the current period" was due to the business combination, and the fair value of this part was evaluated by Chongqing Zhongchao Asset Valuation and Real Estate & Land Appraisal Co., Ltd. with the asset appraisal reports of Zhongchao Ping Bao Zi (Asset) [2022] No. 5 and Zhongchao Ping Bao Zi (Asset) [2022] No. 6. The amount of RMB 28,913,454.83 in "Other" of "Increase in the current period" was due to the transfer from construction in progress.

Note 4: As of 31 December 2021, the details of restricted investment properties due to the mortgage refer to Note VI 52 "Assets with restricted ownership or right of use".

11. Fixed assets

(1) Classification of fixed assets

Item	Closing balance	Opening balance
Fixed assets	130,236,766.38	52,461,837.76
Liquidation of fixed assets		
Total	130,236,766.38	52,461,837.76

(2) Details of fixed assets

Item	House and building	Transportation	Electronic equipment	Pipe network	Other	Total
1. Original cost						
1. Opening balance	42,895,723.31	12,955,432.72	6,808,297.04	35,584,027.92	2,167,252.50	100,410,734.49
2. Increase	52,345,019.39	757,218.64	4,567,293.50	57,042,205.33	6,545,418.78	121,257,155.64
(1) Purchase	42,361,233.54	548,624.43	4,377,859.33	36,854,014.49	5,029,949.64	89,171,681.43
(2) Transfer from construction in progress				20,188,190.84		20,188,190.84
(3) Business combination	9,983,785.85	208,594.21	140,215.10		1,515,469.14	11,848,064.30
(4) Other			49,219.07			49,219.07
3. Decrease		689,719.00	662,640.74	995,328.90		2,347,688.64
(1) Disposal		689,719.00	662,640.74	995,328.90		2,347,688.64
4. Closing balance	95,240,742.70	13,022,932.36	10,712,949.80	91,630,904.35	8,712,672.28	219,320,201.49



Item	House and building	Transportation	Electronic equipment	Pipe network	Other	Total
II. Accumulated depreciation						
1. Opening balance	14,334,497.04	11,495,728.99	5,201,417.73	14,687,842.54	1,729,411.33	47,948,896.73
2. Increase	12,274,721.23	895,432.86	1,335,238.86	27,797,567.13	1,030,846.21	43,333,806.29
(1) Accrual	12,274,721.23	895,432.86	1,335,238.86	27,797,567.13	1,030,846.21	43,333,806.29
3. Decrease		663,691.43	605,336.86	930,230.62		2,199,267.91
(1) Disposal		663,691.43	605,336.86	930,230.62		2,199,267.91
4. Closing balance	27,109,218.27	11,727,469.52	5,911,319.73	41,555,170.05	2,760,257.54	89,083,435.11
III. Impairment provision						
1. Opening balance						
2. Increase						
3. Decrease						
4. Closing balance						
IV. Book value						
1. Closing balance	68,171,524.43	1,295,462.84	4,781,630.07	30,075,734.30	5,952,414.74	130,236,766.38
2. Opening balance	28,061,226.27	1,459,704.63	1,606,879.31	29,896,185.38	437,842.17	52,461,837.76

Note: As of 31 December 2021, the details of restricted fixed assets - houses and buildings due to the mortgage refer to Note VI 52. "Assets with restricted ownership or right of use".

12. Construction in progress

(1) Classification of construction in progress

Item	Closing balance	Opening balance
Construction in progress	415,180,926.74	369,768,905.98
Engineering materials		
Total	415,180,926.74	369,768,905.98

(2) Construction in progress

① Details of significant construction in progress

Item	Closing balance		
	Book balance	Impairment provision	Book value
EPC project of Mudong traditional style first development area	173,248,156.13		173,248,156.13
Banan District South Line Rural Drinking Water Safety Project	114,169,502.84		114,169,502.84
Kaisa Plaza Phase II (office building)	41,893,513.50		41,893,513.50
South Line Drinking Water Phase II Project	34,488,823.53		34,488,823.53
Nanhu Water Plant Phase I and Phase II Project	19,854,785.03		19,854,785.03
Changdangzi Reservoir to Longzhouwan Tunnel Water Supply Pipeline Project	9,459,999.84		9,459,999.84
Pipe network reconstruction project of Jieshi Business Center	6,844,130.13		6,844,130.13
Facade decoration project of Qiaoping Chuxiao	3,813,621.63		3,813,621.63
Housing and parking spaces of Bayuan Kaixa	850,117.24		850,117.24
Total	404,622,649.87		404,622,649.87

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
EPC project of Mudong traditional style first development area			

Item	Opening balance		
	Book balance	Impairment provision	Book value
Banan District South Line Rural Drinking Water Safety Project	112,032,364.90		112,032,364.90
Kaisi Plaza Phase II (office building)	40,935,863.76		40,935,863.76
South Line Drinking Water Phase II Project	25,919,558.69		25,919,558.69
Nanhu Water Plant Phase I and Phase II Project	19,234,230.97		19,234,230.97
Changdangzi Reservoir to Longzhouwan Tunnel Water Supply Pipeline Project	2,988,608.93		2,988,608.93
Pipe network reconstruction project of Jieshi Business Center	6,201,857.03		6,201,857.03
Facade decoration project of Qiaoping Chunxiao			
Housing and parking spaces of Bayuan Kaisa	29,599,932.59		29,599,932.59
Total	236,912,416.87		236,912,416.87

② Details of changes in significant construction in progress

Item	Opening balance	Increase	Transfer to fixed assets	Other decreases	Closing balance
EPC project of Madong traditional style first development area		173,248,156.13			173,248,156.13
Banan District South Line Rural Drinking Water Safety Project	112,032,364.90	2,137,137.94			114,169,502.84
Kaisi Plaza Phase II (office building)	40,935,863.76	957,649.74			41,893,513.50
South Line Drinking Water Phase II Project	25,919,558.69	8,569,264.84			34,488,823.53
Nanhu Water Plant Phase I and Phase II Project	19,234,230.97	620,554.06			19,854,785.03
Changdangzi Reservoir to Longzhouwan Tunnel Water Supply Pipeline Project	2,988,608.93	6,471,390.91			9,459,999.84

Item	Opening balance	Increase	Transfer to fixed assets	Other decreases	Closing balance
Pipe network reconstruction project of Jieshi Business Center	6,201,857.03	642,273.10			6,844,130.13
Facade decoration project of Qiaoping Chunxiao		3,813,621.63			3,813,621.63
Housing and parking spaces of Bayuan Kaisa	29,599,932.59	163,639.48		28,913,454.83	850,117.24
Total	236,912,416.87	196,623,687.83		28,913,454.83	404,622,649.87

Note: "Other decreases" in housing and parking spaces of Bayuan Kaisa were due to the transfer of the initial recorded costs of housing to the investment property.

### 13. Intangible assets

Item	Office software	Franchise	Total
I. Original value			
1. Opening balance	511,879.99		511,879.99
2. Increase	381,000.00	550,742,924.53	551,123,924.53
(1) Purchase	381,000.00	550,742,924.53	551,123,924.53
3. Decrease			
4. Closing balance	892,879.99	550,742,924.53	551,635,804.52
II. Accumulated amortization			
1. Opening balance	505,106.69		505,106.69
2. Increase	33,589.99	527,414.96	561,004.95
(1) Amortization	33,589.99	527,414.96	561,004.95
3. Decrease			
4. Closing balance	538,696.68	527,414.96	1,066,111.64
III. Impairment provision			
1. Opening balance			
2. Increase			
3. Decrease			
4. Closing balance			

Item	Office software	Franchise	Total
IV. Book value			
1. Closing balance	554,183.31	550,215,509.57	550,569,692.88
2. Opening balance	6,773.30		6,773.30

Note: As of 31 December 2021, the details of restricted intangible assets - franchise due to the pledge refer to Note VI.52 "Assets with restricted ownership or right of use".

#### 14. Long-term deferred expenses

Item	Opening balance	Increase	Amortization	Other decreases	Closing balance
Bond issuance costs	3,428,571.29		1,285,714.32		2,142,856.97
Decoration costs	1,074,957.79	1,248,438.08	1,074,957.79		1,248,438.08
Total	4,503,529.08	1,248,438.08	2,360,672.11		3,391,295.05

#### 15. Deferred tax assets & Deferred tax liabilities

##### (1) Deferred tax assets recognized

Item	Closing balance		Opening balance	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Impairment provision on receivables	3,877,795.46	15,537,906.10	2,210,655.01	8,867,065.49
Total	3,877,795.46	15,537,906.10	2,210,655.01	8,867,065.49

##### (2) Deferred tax liabilities recognized

Item	Closing balance		Opening balance	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Changes in fair value of investment properties	219,307,885.27	877,231,541.09	209,669,073.71	838,676,204.84
Deferred income	558,023.27	2,232,093.06	625,167.80	2,500,671.19
Changes in fair value of other equity instrument investments	545,104.65	2,180,418.61	284,821.02	1,139,284.06

Item	Closing balance		Opening balance	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Total	220,411,013.19	881,644,052.76	210,579,062.53	842,316,250.09

(3) Details of unrecognized deferred tax assets

Item	Closing balance	Opening balance
Impairment provision on assets	235,581.69	10,000.00
Credit impairment loss	902,945.86	
Deferred income	22,634,021.89	2,500,671.19
Total	23,772,549.44	2,510,671.19

16. Other non-current assets

Item	Closing balance		
	Book balance	Impairment provision	Book value
Forest property assets, etc.	3,808,654,861.83		3,808,654,861.83
Reservoir assets	3,779,184,700.00		3,779,184,700.00
Agent construction of infrastructure works	785,214,697.24		785,214,697.24
Houses and buildings	370,543,635.66		370,543,635.66
Financial products	336,862,500.00		336,862,500.00
Pipe network assets	170,673,500.00		170,673,500.00
Mudong flood control			
Other assets	177,877,887.41		177,877,887.41
Total	9,429,011,782.14		9,429,011,782.14

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
Forest property assets, etc.	3,808,654,861.83		3,808,654,861.83
Reservoir assets	3,779,184,700.00		3,779,184,700.00
Agent construction of infrastructure works			



Item	Opening balance		
	Book balance	Impairment provision	Book value
Houses and buildings			
Financial products	336,862,500.00		336,862,500.00
Pipe network assets	170,673,500.00		170,673,500.00
Mudong flood control	763,552,861.12		763,552,861.12
Other assets	364,998,900.00		364,998,900.00
Total	9,223,927,322.95		9,223,927,322.95

Note: As of 31 December 2021, the details of restricted other non-current assets due to the mortgage refer to Note VI 52 "Assets with restricted ownership or right of use".

#### 17. Short-term borrowings

##### (1) Classification of short-term borrowings

Item	Closing balance	Opening balance
Pledge loan	275,000,000.00	270,300,000.00
Mortgage loan	179,000,000.00	
Guaranteed loan	512,500,000.00	95,650,000.00
Credit loan	85,000,000.00	100,000,000.00
Total	1,051,500,000.00	465,950,000.00

(2) Details of short-term borrowings

Borrower	Lender	Loan amount	Start date	Expiry date	Currency	Mortgage or guarantee situation
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	China Everbright Bank Co., Ltd. Chongqing Branch	100,000,000.00	2021-1-14	2022-1-14	RMB	Guaranteed loan
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	China Construction Bank Co., Ltd. Chongqing Nan'an Sub-branch	85,000,000.00	2021-9-28	2022-9-23	RMB	Credit loan
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	China Guangfa Bank Co., Ltd. Chongqing Branch	180,000,000.00	2021-4-9	2022-4-6	RMB	Pledge loan
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	China CITIC Bank Co., Ltd. Chongqing Branch	200,000,000.00	2021-5-19	2022-5-18	RMB	Guaranteed loan
Chongqing Baxin Construction Co., Ltd.	China Everbright Bank Co., Ltd. Chongqing Branch	100,000,000.00	2021-5-20	2022-5-20	RMB	Guaranteed loan
Chongqing Baxin Construction Co., Ltd.	China Guangfa Bank Co., Ltd. Chongqing Branch	60,000,000.00	2021-5-26	2022-5-26	RMB	Pledge loan
Chongqing Ruizhou Construction Investment Co., Ltd.	China Guangfa Bank Co., Ltd. Chongqing Branch	24,000,000.00	2021-1-29	2022-1-25	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	China Guangfa Bank Co., Ltd. Chongqing Branch	179,000,000.00	2021-12-14	2022-12-14	RMB	Mortgage loan
Chongqing Yujiang Water Co., Ltd.	Chongqing Rural Commercial Bank Co., Ltd. Nan'an Sub-branch	18,500,000.00	2021-5-26	2022-5-25	RMB	Guaranteed loan
Chongqing Yujiang Water Co., Ltd.	Chongqing Rural Commercial Bank Co., Ltd. Nan'an Sub-branch	10,000,000.00	2021-11-18	2022-11-17	RMB	Guaranteed loan

Borrower	Lender	Loan amount	Start date	Expiry date	Currency	Mortgage or guarantee situation
Chongqing Yujing Water Co., Ltd.	China Zheshang Bank Co., Ltd. Chongqing Branch	50,000,000.00	2021-4-23	2022-4-22	RMB	Guaranteed loan
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Bank of Chongqing Co., Ltd.	10,000,000.00	2021-12-24	2022-6-23	RMB	Pledge loan
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	China Guangfa Bank Co., Ltd. Chongqing Branch	25,000,000.00	2021-3-12	2022-3-11	RMB	Mortgage loan
Chongqing Nancheng Water Co., Ltd.	Chongqing Three Gorges Bank Co., Ltd. Lid. Hunan Sub-branch	10,000,000.00	2021-5-26	2022-5-26	RMB	Guaranteed loan
Total		1,051,500,000.00				

(3) Pledge loan

Borrower	Loan balance	Collateral
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	180,000,000.00	Time certificate of deposit
Chongqing Baxia Construction Co., Ltd.	60,000,000.00	Time certificate of deposit
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	10,000,000.00	Time certificate of deposit
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	25,000,000.00	Time certificate of deposit
Total	275,000,000.00	

## (4) Mortgage loan

Borrower	Loan balance	Collateral
Chongqing Ruizhou Construction Investment Co., Ltd.	179,000,000.00	Investment properties
Total	179,000,000.00	

## (5) Guaranteed loan

Borrower	Loan balance	Guarantor
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	100,000,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	200,000,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Baxin Construction Co., Ltd.	100,000,000.00	Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	24,000,000.00	Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.
Chongqing Yujiang Water Co., Ltd.	50,000,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Nancheng Water Co., Ltd.	10,000,000.00	Chongqing Banan District Nanfeng Hydropower Co., Ltd. and Chongqing Yujiang Water Co., Ltd.
Chongqing Yujiang Water Co., Ltd.	18,500,000.00	Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. and Chongqing Ruizhou Construction Investment Co., Ltd.
Chongqing Yujiang Water Co., Ltd.	10,000,000.00	
Total	512,500,000.00	

## 18. Notes payable

## (1) Details of notes payable

Category	Closing balance	Opening balance
Bank acceptance bill		388,000,000.00
Commercial acceptance bill		180,000,000.00
Total		568,000,000.00

## 19. Accounts payable

## (1) Accounts payable disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	111,812,233.28	799,644,591.64
1-2 years (including 2 years)	42,789,792.35	58,500,155.47
2-3 years (including 3 years)	1,100,394.15	3,856,567.80
3-4 years (including 4 years)	684,025.60	7,642,224.83
4-5 years (including 5 years)	234,033.78	1,451,294.30
Over 5 years	4,101,809.86	65,141,266.79
Total	160,722,289.02	936,236,100.83

(2) Significant accounts payable with aging over one year

Name	Closing balance	Reason
Chongqing International Biological City Development and Investment Co., Ltd.	25,464,083.58	Not settled
Chongqing Banan District Education Committee	9,950,000.00	Not settled
Total	35,414,083.58	

20. Advance from customers

(1) Details of advance from customers

Item	Closing balance	Opening balance
Advance collection of rent	1,970,512.35	897,085.17
Total	1,970,512.35	897,085.17

(2) Advance from customers disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	1,970,512.35	897,085.17
Total	1,970,512.35	897,085.17

21. Contract liabilities

Item	Closing balance	Opening balance
Advance collection of water charges and installation fees	3,281,537.49	2,550,288.45
Advance collection of resettlement housing payments	1,212,636,300.56	1,390,179,917.00

Item	Closing balance	Opening balance
Advance collection of service charges	9,024,151.89	11,409,556.06
Advance collection of design fees	89,622.64	
Less: The part recorded into other non-current liabilities	178,165,323.12	
Total	1,046,866,289.46	1,404,139,761.51

## 22. Payroll payable

### (1) Classification of payroll payable

Item	Opening balance	Increase	Decrease	Closing balance
1. Short-term employee benefits	18,925,927.83	200,073,543.96	199,647,420.61	19,352,051.18
2. Post-employment benefits-defined contribution plans		29,234,771.03	29,194,921.41	39,849.62
3. Termination benefits		371,563.50	371,563.50	
Total	18,925,927.83	229,679,878.49	229,213,905.52	19,301,900.80

### (2) Short-term employee benefits

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance and subsidy	18,919,358.78	168,991,133.39	168,579,047.96	19,331,444.21
2. Employee welfare fee		8,471,754.92	8,471,754.92	
3. Social insurance premium		14,343,353.20	14,342,071.46	1,281.74
Including: Medical insurance premium		12,606,364.91	12,605,083.17	1,281.74
Work-related injury insurance premium		1,574,706.13	1,574,706.13	
Maternity insurance premium		162,282.16	162,282.16	
Other				
4. Housing provident fund	1,782.00	4,488,255.20	4,480,492.20	9,545.00
5. Union fund and employee education fee	4,787.05	3,286,817.25	3,281,824.07	9,780.23



Item	Opening balance	Increase	Decrease	Closing balance
6. Short-term paid absence				
7. Short-term profit-sharing plan				
8. Other short-term employee benefits		492,230.00	492,230.00	
Total	18,925,927.83	200,073,543.96	199,647,420.61	19,352,051.18

(3) Defined contribution plans

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance premium		20,772,508.73	20,734,676.39	37,832.34
2. Unemployment insurance premium		655,025.25	653,007.97	2,017.28
3. Occupational pension contribution		5,924,043.61	5,924,043.61	
4. Supplementary endowment insurance premium		1,883,193.44	1,883,193.44	
Total		29,234,771.03	20,194,921.41	39,849.62

23. Taxes and surcharges payable

Item	Closing balance	Opening balance
Corporate income tax	238,687,143.84	214,283,907.74
Individual income tax	119,883.41	233,322.04
Value-added tax	232,678,332.44	255,200,317.62
Property tax	1,389,485.88	679,611.22
Land use tax	5,311,222.21	67,027.50
Stamp duty	846,689.40	15,420.10
Educational surcharge	7,858,779.71	8,187,699.89
Urban maintenance & construction tax	18,181,479.74	18,920,106.36
Local educational surcharge	5,007,463.01	5,225,998.86
Total	510,080,479.64	508,813,411.33

#### 24. Other payables

##### (1) Classification of other payables

Item	Closing balance	Opening balance
Interest payable		101,778,681.42
Dividends payable		
Other payables	3,847,186,958.86	3,495,205,030.83
Total	3,847,186,958.86	3,596,983,712.25

##### (2) Interest payable

Item	Closing balance	Opening balance
Interests for long-term borrowings with interest paid in installments and principal repaid at maturity		
Interests for corporate bonds		98,691,181.42
Interests for short-term borrowings		
Interests for preferred shares or perpetual bonds classified as financial liabilities		
Interests for other non-current liabilities		3,087,500.00
Total		101,778,681.42

##### (3) Other payables

###### 1) Other payables disclosed by nature

Item	Closing balance	Opening balance
Security deposits and quality guarantee deposits	36,243,513.27	40,288,593.85
Fund transactions with non-related parties	95,366,790.79	115,712,790.69
Fund transactions with government units	1,700,679,560.32	2,329,708,451.91
Funds lending	436,344,530.22	484,155,555.55
Current accounts with enterprises under the Banan District SASAC	1,465,549,064.59	393,560,312.89
Collection and payment on behalf of others	101,285,885.04	119,056,327.64
Funds lending with related parties	326,942.14	
Other	11,390,672.58	12,722,998.30
Total	3,847,186,958.86	3,495,205,030.83

###### 2) Significant other payables with aging over one year

Name	Closing balance	Reason
Chongqing Banan District Land Acquisition Affairs Center	382,442,747.32	Not settled
Chongqing Southern New City Industrial Investment Group Co., Ltd.	276,922,300.00	Not settled
Chongqing International Biological City Development and Investment Co., Ltd.	43,987,752.59	Not settled
Chongqing Vocational and Technical Education City Construction Co., Ltd.	402,533,333.33	Not settled
Chongqing Banan District State-owned Assets Management Center	17,119,319.50	Not settled
Chongqing Banan District Water Conservancy Bureau	13,307,008.88	Not settled
Chongqing Banan District Finance Bureau	410,000,000.00	Not settled
Chongqing Banan District Urban Shantytowns (Dilapidated Houses) Renovation Leading Group Office	38,273,500.00	Not settled
Chongqing Banan District Medium-sized Reservoir Construction Headquarters	30,000,000.00	Not settled
Total	1,614,585,961.62	

## 25. Non-current liabilities due within one year

### (1) Classification of non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year	824,310,253.87	642,992,568.45
Bonds payable due within 1 year	739,870,000.00	650,000,000.00
Long-term payables due within 1 year	2,334,742,622.55	1,462,507,984.53
Other non-current liabilities due within 1 year		303,000,000.00
Total	3,898,922,876.42	3,058,500,552.98

## 26. Other current liabilities

Item	Closing balance	Opening balance
Far East Horizon (Tianjin) Financial Leasing Co., Ltd.	10,095,326.20	
Industrial International Trust Co., Ltd.	150,000,000.00	

Item	Closing balance	Opening balance
Pending changeover output tax	55,660,148.19	68,843,161.53
Pending property gains and losses	602,914.09	
Interest payable	63,779,527.61	
Total	280,137,916.09	68,843,161.53

## 27. Long-term borrowings

### (1) Classification of long-term borrowings

Item	Closing balance	Opening balance
Pledge loan	1,570,000,000.00	1,140,000,000.00
Mortgage loan	222,028,048.76	258,842,682.92
Guaranteed loan	3,610,304,249.71	2,581,763,554.00
Credit loan	285,000,000.00	408,000,000.00
Less: Long-term borrowings due within 1 year	824,310,253.87	642,992,568.45
Total	4,863,022,044.60	3,745,613,668.47

(2) Details of long-term borrowings

Borrower	Lender	Loan amount	The part due within 1 year	Start date	Expiry date	Currency	Mortgage or guarantee situation
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Hua Xia Bank Co., Ltd. Chongqing Huanan Sub-branch	64,350,000.00	1,300,000.00	2021-6-23	2024-6-20	RMB	Guaranteed loan
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Bank of Chengdu Co., Ltd.	285,000,000.00	30,000,000.00	2021-2-1	2024-1-26	RMB	Credit loan
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Bank of Liaohe Co., Ltd.	300,000,000.00	150,000,000.00	2021-12-3	2023-12-2	RMB	Guaranteed loan
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Three Gorges Bank Co., Ltd. Huanan Sub-branch	460,000,000.00		2021-12-29	2029-12-29	RMB	Pledge loan
Chongqing Baxiao Construction Co., Ltd.	Jiangsu Financial Leasing Co., Ltd.	51,609,278.00	51,609,278.00	2020-11-25	2022-11-25	RMB	Guaranteed loan
Chongqing Changyida Construction Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Huanan Sub-branch	497,800,000.00	4,192,000.00	2019-11-20	2034-11-17	RMB	Guaranteed loan
Chongqing Changyida Construction Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Huanan Sub-branch	312,400,000.00	2,600,000.00	2020-3-24	2034-11-17	RMB	Guaranteed loan
Chongqing Changyida Construction Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Huanan Sub-branch	180,000,000.00		2021-1-25	2036-1-10	RMB	Guaranteed loan

Borrower	Lender	Loan amount	The part due within 1 year	Start date	Expiry date	Currency	Mortgage or guarantee situation
Chongqing Changyula Construction Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Baiman Sub-branch	139,710,000.00	1,118,000.00	2021-3-31	2034-11-17	RMB	Guaranteed loan
Chongqing Changyula Construction Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Baiman Sub-branch	92,600,000.00		2021-9-18	2036-1-10	RMB	Guaranteed loan
Chongqing Best Human Resource Development Co., Ltd.	China CITIC Bank Co., Ltd. Chongqing Branch	12,378,048.76	1,414,634.16	2020-7-24	2023-7-23	RMB	Mortgage loan
Chongqing Best Human Resource Development Co., Ltd.	China CITIC Bank Co., Ltd. Chongqing Branch	2,500,000.00	600,000.00	2020-9-4	2023-8-31	RMB	Mortgage loan
Chongqing Yuanwen Construction Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Baiman Sub-branch	492,158,630.00		2021-6-15	2029-6-14	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	Chongqing Rural Commercial Bank Co., Ltd.	1,110,000,000.00	30,000,000.00	2016-8-22	2031-8-21	RMB	Pledge loan
Chongqing Ruizhou Construction Investment Co., Ltd.	Xiamen International Bank Co., Ltd. Xiamen Branch	51,200,000.00	51,200,000.00	2020-4-20	2022-4-20	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	Hua Xia Bank Co., Ltd. Chongqing Baiman Sub-branch	38,800,000.00	300,000.00	2021-5-28	2023-5-27	RMB	Guaranteed loan



Borrower	Lender	Loan amount	The part due within 1 year	Start date	Expiry date	Currency	Mortgage or guarantee situation
Chongqing Ruizhou Construction Investment Co., Ltd.	Hua Xia Bank Co., Ltd. Chongqing Hunan Sub-branch	24,250,000.00	500,000.00	2020-6-24	2023-6-23	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	AVIC International Leasing Co., Ltd.	78,286,341.71	78,286,341.71	2020-6-24	2022-6-24	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	CCB Trust Co., Ltd.	490,000,000.00	340,000,000.00	2020-11-10	2023-3-22	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	Hua Xia Bank Co., Ltd. Chongqing Hunan Sub-branch	25,050,000.00	600,000.00	2021-1-25	2024-1-24	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	China CITIC Bank Co., Ltd. Chongqing Branch	75,000,000.00	10,000,000.00	2021-2-9	2024-2-8	RMB	Guaranteed loan
Chongqing Ruizhou Construction Investment Co., Ltd.	Chengdu Yihang Asset Management Co., Ltd.	270,000,000.00	70,000,000.00	2021-12-24	2023-12-23	RMB	Guaranteed loan
Chongqing Yujiang Water Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Hunan Sub-branch	34,550,000.00		2016-4-25	2023-10-27	RMB	Mortgage loan
Chongqing Yujiang Water Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Baotou Sub-branch	65,000,000.00		2016-12-16	2031-9-22	RMB	Mortgage loan

Borrower	Lender	Loan amount	The part due within 1 year	Start date	Expiry date	Currency	Mortgage or guarantee situation
Chongqing Yutong Water Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Huanan Sub-branch	107,600,000.00		2017-2-28	2031-9-22	RMB	Mortgage loan
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Huanan Sub-branch	22,000,000.00		2020-7-31	2037-5-26	RMB	Guaranteed loan
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Huanan Sub-branch	55,000,000.00		2020-11-30	2037-5-26	RMB	Guaranteed loan
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Agricultural Development Bank of China Co., Ltd. Chongqing Huanan Sub-branch	230,000,000.00		2020-12-29	2037-5-26	RMB	Guaranteed loan
Chongqing Nansheng Water Co., Ltd.	China CITIC Bank Co., Ltd. Chongqing Huanan Sub-branch	120,000,000.00		2019-3-28	2022-3-27	RMB	Guaranteed loan
Total		5,687,332,298.47	824,310,253.87				

## (3) Pledge loan

Borrower	Loan balance	Collateral
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	460,000,000.00	Parking space management rights, and the future parking fee income
Chongqing Ruizhou Construction Investment Co., Ltd.	1,110,000,000.00	Accounts receivable
Total	1,570,000,000.00	

## (4) Mortgage loan

Borrower	Loan balance	Collateral
Chongqing Best Human Resource Development Co., Ltd.	12,378,048.76	Fixed assets - houses
Chongqing Best Human Resource Development Co., Ltd.	2,500,000.00	Fixed assets - houses
Chongqing Yujiang Water Co., Ltd.	34,550,000.00	Mortgage of real estate of Chongqing Banan District Dried Vegetables and Fruits Company (202 Real Estate Certificate 2015 Zi No. 010251), mortgage of forest rights of Highway Company (Banan Forest Certificate Zi (2015) No. 47 and Banan Forest Certificate Zi (2015) No. 52), and mortgage of real estates of Chongqing Banan District Supply and Marketing Cooperative Association (real estate certificate: Ba Xian Zi No. 17760, and land certificate: Ba Guo Yong (99) Zi No. 4091-75)
Chongqing Yujiang Water Co., Ltd.	65,000,000.00	
Chongqing Yujiang Water Co., Ltd.	107,600,000.00	
Chongqing Yujiang Water Co., Ltd.		
Total	222,028,048.76	

## (5) Guaranteed loan

Borrower	Loan balance	Guarantor
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	64,350,000.00	Chongqing Banan Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	300,000,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Baxin Construction Co., Ltd.	51,609,278.00	Chongqing Banan Highway Construction Co., Ltd.

Borrower	Loan balance	Guarantor
Chongqing Changyida Construction Co., Ltd.	497,800,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Changyida Construction Co., Ltd.	312,490,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Changyida Construction Co., Ltd.	180,000,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Changyida Construction Co., Ltd.	139,710,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Changyida Construction Co., Ltd.	92,600,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Yuanwen Construction Co., Ltd.	492,158,630.00	Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	51,200,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	38,800,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	24,250,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	78,286,341.71	Chongqing Yuxing Construction Investment Co., Ltd. and Chongqing Banan Highway Construction Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	400,000,000.00	Chongqing Banan Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	25,050,000.00	Chongqing Banan Highway Construction Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	75,000,000.00	Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.
Chongqing Ruizhou Construction Investment Co., Ltd.	270,000,000.00	Chongqing Banan Highway Construction Co., Ltd. and Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.
Chongqing Mading Cultural Tourism Industrial Development Co., Ltd.	22,000,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.

Borrower	Loan balance	Guarantor
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	55,000,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	230,000,000.00	Chongqing Southern New City Industrial Investment Group Co., Ltd.
Chongqing Nancheng Water Co., Ltd.	120,000,000.00	Chongqing Banan Highway Construction Co., Ltd.
Total	3,610,304,249.71	

## 28. Bonds payable

### (1) Details of bonds payable

Item	Closing balance	Opening balance
21 Yu Bazhou Cultural Tourism (Rural Revitalization) ZR001	247,789,453.00	
19 Banan Highway PPN001	299,115,393.64	299,248,347.96
19 Banan Highway PPN002	696,988,197.40	696,814,928.39
19 Banan Highway PPN003	564,870,000.00	564,870,000.00
Banan Highway 2020 Phase I Targeted Transaction		500,000,000.00
21 Banan Highway MTN001	188,835,162.24	
16 Banan Shantytowns Renovation Project NPB	300,000,000.00	450,000,000.00
Sub-total	2,297,598,206.28	2,510,933,276.35
Less: The part due within 1 year	739,870,000.00	650,000,000.00
Total	1,557,728,206.28	1,860,933,276.35

## (2) Changes in bonds payable

Item	Face value	Issue date	Duration (Year)	Issue amount	Opening balance
21 Yu Baohou Cultural Tourism (Rural Revitalization) ZR001	250,000,000.00	2021-4-30	3	247,047,169.81	
19 Banan Highway PPPN001	300,000,000.00	2019-1-21	5	297,900,000.00	299,248,347.96
19 Banan Highway PPPN002	700,000,000.00	2019-7-31	5	693,960,000.00	696,814,928.39
19 Banan Highway PPPN003	570,000,000.00	2019-12-25	3	564,870,000.00	564,870,000.00
Banan Highway 2020 Phase 1 Targeted Transaction	500,000,000.00	2020-8-26	1		500,000,000.00
21 Banan Highway MTN001	190,000,000.00	2021-6-25	3	188,632,000.00	
16 Banan Shanty towns Renovation Project NPPB	750,000,000.00	2016-8-16	7	750,000,000.00	450,000,000.00
Sub-total	3,260,000,000.00			2,743,409,169.81	2,510,933,276.35
Less: The part due within 1 year					650,000,000.00
Total	3,260,000,000.00			2,743,409,169.81	1,860,933,276.35

## (Continued)

Item	Amount issued in the current period	Interest accrued at face value	Amortization of premium or discount	Amount repaid in the current period	Closing balance
21 Yu Baohou Cultural Tourism (Rural Revitalization) ZR001	247,047,169.81	8,809,931.51	742,283.19		247,789,453.00
19 Banan Highway PPPN001		21,900,000.00	-132,954.32		299,115,393.64
19 Banan Highway PPPN002		49,000,000.00	173,269.01		696,988,197.40



Item	Amount issued in the current period	Interest accrued at face value	Amortizations of premium or discount	Amount repaid in the current period	Closing balance
19 Banan Highway PPPN003		39,900,000.00			564,870,000.00
Banan Highway 2020 Phase 1 Targeted Transaction				500,000,000.00	
21 Banan Highway MTN001	188,632,000.00	6,394,931.51	203,162.24		188,835,162.24
16 Banan Shuntytowns Renovation Project MTB		22,455,000.00		150,000,000.00	300,000,000.00
Sub-total	435,679,169.81	148,459,863.02	985,760.12	650,000,000.00	2,297,598,206.28
Less: The part due within 1 year					739,870,000.00
Total	435,679,169.81	148,459,863.02	985,760.12	650,000,000.00	1,557,728,206.28

## 29. Long-term payables

### (1) Classification of long-term payables

Item	Closing balance	Opening balance
Long-term payables	1,591,354,232.07	1,891,456,321.90
Special payables	255,053,216.37	1,134,531,335.19
Total	1,846,407,448.44	2,935,987,657.09

### (2) Details of long-term payables

Item	Closing balance	Opening balance
AB Leasing Co., Ltd.	99,446,297.70	135,035,473.18
Chengdu Industrial Investment Financial Leasing Co., Ltd.	168,108,460.68	
Fujian Haisi Financial Leasing Co., Ltd.	100,075,354.85	
Gansu Lanzhou Bank Financial Leasing Co., Ltd.	75,000,000.00	150,000,000.00
Guangdong Yuehai Financial Leasing Co., Ltd.	176,209,939.83	
Guangzhou Yaexiu Financial Leasing Co., Ltd.	103,088,480.34	200,000,000.00
Guiyang GYB Financial Leasing Co., Ltd.	156,922,485.38	
Harbin Bank Financial Leasing Co., Ltd.		234,335,862.74
Haitong Unitrust International Financial Leasing Co., Ltd.	195,229,998.42	
Henan Jiaoding Financial Leasing Co., Ltd.	131,800,513.15	212,094,149.25
Hubei Financial Leasing Co., Ltd.	100,000,000.00	200,000,000.00
Huabao Duding (Shanghai) Financial Leasing Co., Ltd.	113,310,349.33	100,015,075.07
Huazong Financial Leasing Co., Ltd.		14,224,521.38
Jiangsu Financial Leasing Co., Ltd.	26,350,151.48	76,396,063.38
Jiushi Financial Leasing (Shanghai) Co., Ltd.	74,021,181.37	168,692,206.97
Lanman Equipment Leasing (Shanghai) Co., Ltd.	352,447,476.62	
Mortai (Shanghai) Financial Leasing Co., Ltd.	51,204,086.85	100,000,000.00
Shandong Huitong Financial Leasing Co., Ltd.	200,000,000.00	
Shandong Tongda Financial Leasing Co., Ltd.	156,876,555.70	219,632,762.74
Shanghai Yuexiu Finance Leasing Co., Ltd.	223,108,826.60	
Wuxi Caitong Financial Leasing Co., Ltd.	174,129,108.63	

Item	Closing balance	Opening balance
China Industrial International Trust Limited		179,900,000.00
Industrial Bank Financial Leasing Co., Ltd.	103,164,129.93	
Jiyin Financial Leasing Co., Ltd.	166,556,390.07	
CQRC Financial Leasing Co., Ltd.	103,618,735.88	
Yangtze United Financial Leasing Co., Ltd.	144,550,825.61	195,000,000.00
Zhejiang Chouzhou Financial Leasing Co., Ltd.	150,000,000.00	200,000,000.00
CGN International Financial Leasing Co., Ltd.	78,282,481.65	228,267,917.48
AVIC International Leasing Co., Ltd.		272,953,233.54
CCCC Financial Leasing (Guangzhou) Co., Ltd.	78,478,090.36	177,417,040.70
CCCC Financial Leasing Co., Ltd.	76,167,418.65	
COSCO Shipping Leasing Co., Ltd.	80,123,446.09	
Chongqing Xinyu Financial Leasing Co., Ltd.	265,826,069.45	200,000,000.00
Less: The part due within 1 year	2,334,742,622.55	1,462,507,984.53
Total	1,591,354,232.07	1,801,456,321.90

(3) Details of special payables

Item	Opening balance	Increase	Decrease	Closing balance
Planning preparation fees related to rural operational construction land		1,470,000.00	300,000.00	1,170,000.00
Major transportation projects		9,132,200.00		9,132,200.00
Xiashan Road in Yimzhuan Mountain Scenic Area	7,702,000.00			7,702,000.00
Reconstruction project of Dongqian Raoping Road Extension (Dongqian Freight Channel)	17,640,000.00			17,640,000.00
Renliu - Yongshou Project	18,900,000.00			18,900,000.00
Phase II of the upgrading project of Xiashan Road (Special Parts Factory - Ganwan Road) in Yimzhuan Mountain Scenic Area	16,490,000.00			16,490,000.00
Upgrading project of Yuehua Road		5,175,603.59		5,175,603.59

Item	Opening balance	Increase	Decrease	Closing balance
S106 upgrading project	25,000,000.00		25,000,000.00	
School construction funds	34,520,377.84		34,520,377.84	
Xiexin Overpass	1,760,000.00		1,760,000.00	
Funds for Baguoyuan and Qiaoping Chunxiao projects	804,000,000.00		804,000,000.00	
Reservoir bank at the entrance of Huangxi River on the Yangtze River	34,275,800.00		34,275,800.00	
Subsidy funds for Nanpeng public rental housing project	40,316,000.00			40,316,000.00
Technical transformation project of Yipin Sewage Plant	9,602,640.00			9,602,640.00
Technical transformation project of Lujiao Sewage Plant	1,446,838.00			1,446,838.00
Nanquan secondary and tertiary rural sewage pipe network project construction project	19,991,500.00		2,114,893.71	17,876,606.29
Construction project of main network of Haitang Sewage Treatment Plant in Baitan District	48,614,179.35			48,614,179.35
Construction Project Department of Dongweisuan Sewage Treatment Plant	29,180,000.00			29,180,000.00
Office complex building project of Yutan Hydropower Station		2,896,223.00		2,896,223.00
Protection and repair works of cultural relics and buildings in Mudong Traditional Style Area and ancillary works of Mudong	25,092,000.00	3,202,000.00		28,294,000.00
Other		616,926.14		616,926.14
Total	1,134,531,335.19	22,492,952.73	901,971,071.55	255,053,216.37

30. Deferred income:

(1) Details of deferred income

Item	Opening balance	Increase	Decrease: Recycled into the current profit and loss	Decrease: Return	Closing balance
Government grants	2,500,671.19	22,633,523.11	2,500,172.41		22,634,021.89
Total	2,500,671.19	22,633,523.11	2,500,172.41		22,634,021.89

(2) Deferred income related to government grants

Item	Opening balance	Increase	Amount recorded into non-operating income	Other changes	Closing balance	Related to asset or income
Expansion project of Aolan Water Supply Station	922,500.00		90,000.00		832,500.00	Asset
Reconstruction project of Shengdengshan Water Plant	1,578,171.19		178,578.13		1,399,593.06	Asset
Lujiao Industrial Park water supply project phase I		2,437,500.00	225,300.00		2,212,500.00	Asset
Nanhai water supply project		17,892,134.45	2,006,594.28		15,885,540.17	Asset
Nanfeng water conservancy project		2,303,888.66			2,303,888.66	Asset
Total	2,500,671.19	22,633,523.11	2,500,172.41		22,634,021.89	

### 31. Other non-current liabilities

#### (1) Classification of other non-current liabilities

Item	Closing balance	Opening balance
Contract liabilities	178,165,323.12	
Advance collection of project payments	806,045,431.98	
Total	984,210,755.10	

### 32. Paid-in capital

Name of investor	Opening balance	Increase	Decrease	Closing balance
Chongqing Banan District State-owned Assets Management Center	110,000,000.00	500,000,000.00		610,000,000.00
Total	110,000,000.00	500,000,000.00		610,000,000.00

Note: In the current period, the Company received a registered capital of RMB 500 million from Chongqing Banan District State-owned Assets Management Center.

### 33. Capital reserve

Item	Opening balance	Increase	Decrease	Closing balance
Other capital reserve	9,795,235,142.35	280,303,036.25	203,065,138.44	9,872,673,040.16
Total	9,795,235,142.35	280,303,036.25	203,065,138.44	9,872,673,040.16

Note 1: In the current period, the Chongqing Banan District Land Acquisition Affairs Center withdrew its investment of RMB 163 million in its sub-subsidiary, Chongqing Chuangtu Real Estate Co., Ltd., resulting in a decrease of RMB 163 million in capital reserve.

Note 2: In the current period, the Chongqing Banan District Land Acquisition Affairs Center charged the Company for the commercial part of Huoli Sunshine Garden at the construction cost price, resulting in a decrease of RMB 39,635,738.44 in capital reserve.

Note 3: According to the document of Chongqing Banan District State-owned Assets Management Center (Banan State-owned Assets Center [2021] No. 186), five enterprises belonging to the District Water Conservancy Bureau and District Media Convergence Center were transferred to the Company, resulting in an increase of RMB 163,779,090.15 in capital reserve.



Note 4: According to the document of Chongqing Banan District State-owned Assets Management Center (Banan State Assets Center [2021] No. 208), Chongqing Banan District Xinbayu Hardware Co., Ltd. and Chongqing Banan District Wefang Department Store Co., Ltd. were transferred to the subsidiary Chongqing Basin Construction Investment Co., Ltd., resulting in an increase of RMB 116,723,946.10 in capital reserve.

Note 5: In the current period, the sub-subsidiary of Chongqing Banan Education Co., Ltd. distributed dividends to former shareholders, resulting in a decrease of RMB 429,400.00 in capital reserves.

#### 34. Other comprehensive income

Item	Opening balance	Amount incurred in the current period	Amount before income tax incurred in the current period
I. Other comprehensive income that will not be reclassified to profit or loss	854,463.04	780,850.92	1,041,134.56
Including: i. Changes in net liabilities or assets by remeasurement of defined benefit plans			
ii. Not reclassified subsequently to profit or loss under equity method			
iii. Changes in fair value of other equity instrument investments	854,463.04	780,850.92	1,041,134.56
II. Other comprehensive income that will be reclassified to profit or loss	463,230,988.61		
Including: The part of the fair value greater than the book value on the conversion date when the self-use property or inventory is converted to the investment property measured at fair value	463,230,988.61		
Total	464,085,451.65	780,850.92	1,041,134.56

(Continued)

Item	Less: Recorded into other comprehensive income in the previous period and transferred to profit or loss in the current period	Less: Recorded into other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	Closing balance
1. Other comprehensive income that will not be reclassified to profit or loss Including: i. Changes in net liabilities or assets by remeasurement of defined benefit plans ii. Not reclassified subsequently to profit or loss under equity method iii. Changes in fair value of other equity instrument investments			260,283.64	780,850.92		1,635,313.96
D. Other comprehensive income that will be reclassified to profit or loss Including: The part of the fair value greater than the book value on the conversion date when the self-use property or inventory is converted to the investment property measured at fair value			260,283.64	780,850.92		1,635,313.96
						463,230,988.61
						463,230,988.61
Total			260,283.64	780,850.92		464,866,302.57

### 35. Retained earnings

Item	2021	2020
Closing balance of retained earnings for the previous period before adjustments	1,382,202,080.47	1,241,051,507.65
Add: Total amounts of adjustments (increase as "+", decrease as "-")	-1,666,748.86	-42,999,356.03
Opening balance of retained earnings after adjustments	1,380,535,331.61	1,198,052,151.62
Add: Net profit for the current year attributable to owners of the parent company	171,456,713.09	206,114,028.85
Less: i. Accrual of statutory surplus reserve		
ii. Dividends payable of ordinary shares	-3,407,100.00	22,024,100.00
iii. Dividends of ordinary shares converted to share capital		
iv. Other		-60,000.00
Closing balance of retained earnings	1,555,399,144.70	1,382,202,080.47

Note 1: In the current period, the Company handed over a profit of RMB 16,322,900.00 to Banan District State-owned Assets Management Center.

Note 2: In the current period, the subsidiary Chongqing Bayuan Construction Investment Co., Ltd. received a profit of RMB 19,730,000.00 returned by Banan District State-owned Assets Management Center.

### 36. Operating revenues & Operating costs

Item	2021		2020	
	Revenue	Cost	Revenue	Cost
Sub-total of main business	2,517,376,914.06	2,260,201,805.51	3,046,614,369.84	2,873,333,827.64
Engineering business	1,110,912,294.09	968,652,888.57	39,174,200.96	34,079,339.68
Water supply business	73,501,659.74	69,230,169.50	64,605,153.36	55,495,280.07
Security services	156,423,652.75	132,842,486.10	154,270,444.10	120,236,445.70
Sales of goods	50,300,255.04	38,632,250.32	37,382,353.86	29,030,881.37
Land consolidation	221,864,000.00	199,677,600.00	1,388,663,464.21	1,319,230,291.00
Sales of resettlement housing	862,346,587.45	848,993,534.67	1,342,982,158.95	1,313,021,339.02

Item	2021		2020	
	Revenue	Cost	Revenue	Cost
Agent construction management fees	28,374,851.74		4,087,537.74	
Other	13,754,614.15	2,172,876.35	15,449,056.66	2,240,250.80
Sub-total of other business	65,515,682.43	36,208,481.52	72,190,138.32	24,835,963.76
Pipeline installation and maintenance	37,232,647.48	20,365,266.66	52,565,449.93	19,513,972.73
Driving services	6,411,159.69	4,212,766.90	5,615,161.61	3,922,383.16
Isolation point projects	2,319,669.65	4,557,171.20		
Rental	14,921,161.21	2,891,338.38	7,915,662.23	902,579.96
Other	4,631,044.40	4,181,938.18	6,093,864.53	497,027.91
Total	2,583,092,597.39	2,296,410,287.03	3,118,804,508.16	2,898,169,791.40

### 37. Taxes and surcharges

Item	2021	2020
Property tax	7,480,463.22	2,615,769.37
Land use tax	5,400,374.54	226,827.95
Stamp duty	1,185,331.83	58,479.90
Vehicle and vessel use tax	12,982.50	7,619.90
Educational surcharge	1,320,617.14	2,071,650.94
Urban maintenance & construction tax	3,086,110.90	4,833,852.24
Local educational surcharge	880,411.45	1,381,100.62
Farmland occupation tax	54,355.00	942,073.87
Environmental protection tax	355,782.44	206,186.84
Deed tax		1,119,067.57
Total	19,776,429.00	13,462,629.29

### 38. Selling expenses

Item	2021	2020
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Item	2021	2020
Employee benefits	2,039,777.60	2,124,030.50
Travel expenses	694,588.48	668,012.00
Vehicle costs	289,273.51	159,006.64
Service charges	195,398.41	765,725.80
Welfare expenses	186,340.59	427,020.28
Depreciation expenses	167,187.64	165,604.32
Freight and miscellaneous expenses	158,568.10	177,341.72
Water, electricity and gas charges	151,309.86	35,316.02
Office expenses	122,786.97	264,326.66
Repair costs	81,922.40	74,714.00
Training fees	32,933.00	100,000.00
Other	140,029.21	115,982.14
Total	4,230,115.68	5,077,080.08

### 39. Administrative expenses

Item	2021	2020
Employee benefits	65,250,571.13	40,628,620.26
Agency service fees	10,503,688.89	6,834,211.09
Working expenses	5,473,541.00	
Labor costs	5,285,825.20	949,719.42
Office expenses	5,605,035.27	3,940,373.04
Travel expenses	3,687,196.97	3,110,168.71
Property management fees, water and electricity charges	2,988,728.09	1,064,195.60
Depreciation and amortization expenses	3,380,930.83	2,263,171.70
Publicity expenses	1,947,935.63	1,294,673.00
Union funds and employee education funds	1,702,555.80	1,502,784.22
Vehicle use fees	1,057,522.49	724,547.11
Labor protection fees	827,698.13	423,885.47
Repair costs	490,607.58	255,418.77

Item	2021	2020
Other	7,771,236.62	4,879,378.42
Total	115,773,073.63	67,871,146.81

#### 40. Financial costs

Item	2021	2020
Interest expenses	107,250,404.84	7,088,322.15
Less: Interest income	5,597,110.76	5,491,655.84
Net interest expenses	101,653,294.08	1,596,666.31
Bank service charges	197,444.39	829,524.44
Financing service charges	1,261,080.00	1,261,080.00
Total	103,111,818.47	3,687,270.75

#### 41. Other income

##### (1) Details of other income

Item	2021	2020
Government grants	158,682,776.89	85,026,282.14
Total	158,682,776.89	85,026,282.14

##### (2) Details of government grants

Item	2021	2020	Related to asset or income
Working capital subsidy	153,352,100.00	80,281,300.00	Income
Tax preference	2,830,504.48	2,553,053.33	Income
Nanhu water supply project	2,006,594.28		Asset
Lujiao Industrial Park water supply project phase I	225,000.00		Asset
Pharmaceutical costs for rural drinking water projects in 2020		395,000.00	Income
Reconstruction project of Shengdengshan Water Plant	178,578.13	919,428.81	Asset
Expansion project of Anlan Water Supply Station	90,000.00	877,500.00	Asset



Item	2021	2020	Related to asset or income
Total	158,682,776.89	85,026,282.14	

#### 42. Investment income

##### (1) Details of investment income

Item	2021	2020
Dividend income from other equity instrument investments during the holding period	2,328,716.93	2,609,033.91
Investment income from financial products	624,041.23	2,767,011.96
Total	2,952,758.15	5,376,045.87

#### 43. Gains from changes in fair value

##### (1) Details of gains from changes in fair value

Source of gains from changes in fair value	2021	2020
Investment property measured at fair value	38,555,246.25	163,767,255.91
Total	38,555,246.25	163,767,255.91

#### 44. Credit impairment loss

##### (1) Details of credit impairment loss

Item	2021	2020
Impairment loss on accounts receivable	+754,517.75	
Impairment loss on other receivables	-6,123,020.57	
Total	-6,877,538.32	

#### 45. Impairment loss on assets

##### (1) Details of impairment loss on assets

Item	2021	2020
Impairment loss on inventories (excluding impairment of contract performance costs)	-235,581.69	

Item	2021	2020
Bad debt loss		5,594,329.62
Total	-235,581.69	5,594,329.62

46. Gains from disposal of assets

Item	2021	2020
Gains from disposal of non-current assets		303,131.14
Total		303,131.14

47. Non-operating income

(1) Details of non-operating income

Item	2021	2020
Donation accepted	52,219.07	25,762,302.40
Government grants not related to daily activities	29,600.00	1,479,480.08
Forfeiture	4,120,221.08	292,393.16
Payables cannot be paid	3,528,700.10	
Other	845,453.61	6,786,584.07
Total	8,576,193.86	34,320,759.71

(2) Details of government grants

Item	2021						2020		Related to costs or income
	Recorded into non-operating income	Including transferred from deferred income	Recorded into other income	Including transferred from deferred income	Within direct costs and expenses	Recorded into non-operating income	Recorded into other income	Within direct costs and expenses	
Government grants not related to daily activities	29,600,000					1,479,480.08			Income
Working capital subsidy			(53,432,400.00)				80,281,300.00		Income
Tax preference			2,830,183.12				2,553,053.33		Income
Seaside water supply project			2,006,594.28						Asset
Expansion of industrial Park water supply project (phase 1)			225,000,000						Asset
Pharmaceutical grade low mineral drinking water projects in 2020							395,000.00		Income
Reconstruction project of Shengsheng-shan Water Plant			(78,528.13)				919,428.81		Asset
Expansion project of Arhan Water Supply Station			90,000,000				(877,500.00)		Asset
Other			(21,36)						Expense
Total	29,600,000		(58,682,776.89)			1,479,480.08	85,026,282.14		

48. Non-operating expenses

Item	2021	2020
Donation expenditure	3,561,734.61	7,800,311.65
Forfeiture and overdue fine	5,627,400.31	118,511,951.59
Other	1,127,946.90	1,493,204.54
Total	10,317,081.82	127,805,467.78

49. Income tax expenses

(1) Details of income tax expenses

Item	2021	2020
Current income tax expenses	52,467,614.21	47,779,944.08
Deferred income tax expenses	7,906,226.32	42,965,564.18
Total	60,373,840.53	90,745,508.26

50. Relevant information of the consolidated statement of cash flows

(1) Other cash receipts relating to operating activities

Item	2021	2020
Current accounts	5,041,113,545.74	8,654,607,321.51
Government grants	175,985,623.11	86,498,893.60
Interest income	5,597,110.76	5,491,655.84
Total	5,222,696,279.61	8,746,597,870.95

(2) Other cash payments relating to operating activities

Item	2021	2020
Current accounts	2,655,984,197.67	7,967,607,942.85
Bank service charges	197,444.39	829,524.44
Expenses paid in cash	46,578,670.43	28,933,904.55
Non-operating expenses	11,570,657.11	20,976,875.98
Total	2,714,330,969.60	8,018,348,337.82

(3) Other cash receipts relating to investing activities

Item	2021	2020
Funds lending with investment nature	61,599,666.67	106,000,000.00
Net cash paid for acquiring subsidiaries and other business units	159,037,094.26	
Total	220,636,760.93	106,000,000.00

(4) Other cash payments relating to investing activities

Item	2021	2020
Funds lending with investment nature	1,668,337,978.03	88,000,000.00
Total	1,668,337,978.03	88,000,000.00

(5) Other cash receipts relating to financing activities

Item	2021	2020
Funds lending with financing nature received	947,000,000.00	25,030,000.00
Total	947,000,000.00	25,030,000.00

(6) Other cash payments relating to financing activities

Item	2021	2020
Certificate of deposit pledged for financing	110,000,000.00	95,650,000.00
Repayment of funds lending with financing nature	630,000,000.00	
Financing service charges	1,261,080.00	4,646,900.65
Security deposits	19,000,000.00	388,000,000.00
Total	760,261,080.00	488,296,900.65

51. Supplemental information of the consolidated statement of cash flows:

(1) Information on adjusting the net profit to cash flows from operating activities according to the indirect method

Supplemental information	2021	2020
1. Reconciliation between net profit and net cash flows generated from operating activities:		
Net profit:	174,733,866.37	206,373,418.27
Add: Impairment loss on assets	235,581.69	-5,594,329.62
Credit impairment loss	6,877,538.32	

Supplemental information	2021	2020
Depreciation of fixed assets, depletion of oil & gas assets and depreciation of productive biological assets	43,333,806.29	10,492,862.66
Depreciation of right-of-use assets		
Amortization of intangible assets	561,004.95	10,451.96
Amortization of long-term deferred expense	2,360,672.11	2,232,676.72
Loss from disposals of fixed assets, intangible assets and other long-term assets (gain: "-")		-303,131.14
Loss from scrapping of fixed assets (gain: "-")		
Loss from changes in fair value (gain: "-")	-38,555,246.25	-163,767,255.91
Financial costs (income: "-")	108,511,484.84	7,088,322.15
Investment loss (income: "-")	-2,952,758.15	-5,376,045.87
Decrease in deferred tax assets (increase: "-")	-1,667,140.45	4,435,118.25
Increase in deferred tax liabilities (decrease: "-")	9,571,667.03	41,566,981.77
Decrease in inventories (increase: "-")	854,849,704.16	-524,288,738.44
Decrease in receivables from operating activities (increase: "-")	-907,267,914.57	-1,583,557,729.89
Increase in payables from operating activities (decrease: "-")	-139,302,651.02	407,713,310.27
Other		
Net cash flows generated from operating activities	111,319,555.32	-1,602,974,088.62
2. Significant investing and financing activities without involvement of cash receipts and payments		
Debts converted to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
3. Change of cash and cash equivalent:		
Closing balance of cash	1,467,673,322.86	1,869,876,008.59
Less: Opening balance of cash	1,869,876,008.59	1,770,074,829.42
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
The net increase in cash and cash equivalents	-402,202,685.73	99,801,179.17

(2) Net cash paid for acquiring subsidiaries during the current period



Item	Amount
Cash or cash equivalents paid in the current year for business combinations that occurred in the current year	
Less: Cash and cash equivalents held by the subsidiaries at the date of purchase	159,037,094.26
Including: Chongqing Banan District Guangyu Culture Media Co., Ltd.	3,099,614.67
Chongqing Yunnan Water Conservancy and Electric Power Engineering Survey and Design Co., Ltd.	4,127,297.93
Chongqing Nancheng Water Co., Ltd.	147,698,760.73
Chongqing Banan District Nanfeng Hydropower Co., Ltd.	727,893.71
Chongqing Banan District Yutan Hydropower Co., Ltd.	2,200,691.17
Chongqing Banan District Welfang Department Store Co., Ltd.	824,567.94
Chongqing Banan District Xinbayu Hardware Co., Ltd.	358,268.11
Add: Cash or cash equivalents paid in the current year for business combinations that occurred in previous periods	
Net cash paid for acquiring subsidiaries	-159,037,094.26
Presented in other cash receipts relating to investing activities	159,037,094.26

(3) Composition of cash and cash equivalents:

Item	Closing balance	Opening balance
I. Cash	1,467,673,322.86	1,869,876,008.59
Including: Cash on hand	1,017,004.47	195,790.86
Bank deposits available for immediate payments	1,466,620,904.29	1,869,680,217.73
Other monetary funds available for immediate payments	35,414.10	
II. Cash equivalents		
Including: Bond investments due within three months		
III. Closing balance of cash and cash equivalents	1,467,673,322.86	1,869,876,008.59
Including: Restricted cash and cash equivalents from the Company or subsidiaries within the Group		

52. Assets with restricted ownership or use rights

Item	Closing balance	Reason for restriction
Cash and cash equivalents	19,000,000.00	Acceptance deposits
Investment properties	87,199,412.00	Mortgage for borrowings

Item	Closing balance	Reason for restriction
Other non-current assets - forest rights	59,650,592.81	Mortgage for borrowings
Other non-current assets - certificates of deposit	17,000,000.00	Pledge for borrowings
Other non-current assets - time certificates of deposit	110,000,000.00	Pledge for borrowings
Fixed assets - houses and buildings	32,887,960.31	Mortgage for borrowings
Intangible assets - parking space management rights	550,215,409.57	Pledge for borrowings
Total	875,353,474.69	

## VII Changes in the scope of consolidation

### 1. Business combination not under common control

(1) Business combination not under common control incurred during the reporting period

Name of acquiree	Time of equity acquisition	Equity acquisition cost	Equity acquisition ratio	Equity acquisition method	Net assets of the acquiree from the purchase date to the end of the current period	Net profit of the acquiree from the purchase date to the end of the current period
Chongqing Banan District Guangya Culture Media Co., Ltd.	2021-12-31		100%	Free transfer	3,072,077.86	
Chongqing Yunnan Water Conservancy and Electric Power Engineering Survey and Design Co., Ltd.	2021-12-31		100%	Free transfer	5,441,381.23	
Chongqing Nanchang Water Co., Ltd.	2021-12-31		100%	Free transfer	153,705,803.07	
Chongqing Banan District Nanfeng Hydropower Co., Ltd.	2021-12-31		100%	Free transfer	1,490,465.27	
Chongqing Banan District Yutan Hydropower Co., Ltd.	2021-12-31		100%	Free transfer	369,362.72	

Note: According to the "Notice on Transferring the Assets of Some District-level Departments and State-owned Enterprises Owned by Towns and Streets" (Banan State-owned Assets Center [2021] No. 186) issued by the Chongqing Banan District State-owned Assets Management Center, five enterprises belonging to the District Water Conservancy Bureau and District Media Convergence Center were transferred to the Company.

## VIII Equity in other entities

### 1. Equity in subsidiaries

#### (1) Composition of the first-tier companies of the Company

Name of subsidiary	Main operation address	Registration address	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Chongqing Baom Construction Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Building decoration, decoration and other construction industries	100		Transfer
Chongqing Baom Construction Investment Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Civil engineering construction industry	100		Transfer
Chongqing Baom Highway Construction Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Civil engineering construction industry	100		Transfer
Chongqing Baom District Rural Cultural Tourism Development Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Real estate industry	100		Transfer
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Building decoration, decoration and other construction industries	100		Transfer
Chongqing Lining Highway Engineering Quality Inspection Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Service industry	100		Set up
Chongqing Baom District Guangyi Culture Media Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Radio, television, film and recording production industry	100		Transfer
Chongqing Yunan Water Conservancy and Electric Power Engineering Survey and Design Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Scientific research and technology service industry	100		Transfer
Chongqing Nanchang Water Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Water conservancy management industry	100		Transfer
Chongqing Baom District Nandeng Hydropower Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Water conservancy management industry	100		Transfer
Chongqing Baom District Yunan Hydropower Co., Ltd.	Banan District, Chongqing	Banan District, Chongqing	Power and heat production and supply industry	100		Transfer

## X Fair value

### 1. Fair value of assets and liabilities measured at fair value at the end of the reporting period

Item	Closing balance of fair value			
	The first-level fair value measurement	The second-level fair value measurement	The third-level fair value measurement	Total
I. Continuous fair value measurement				
1. Investment property				
(1) Leased land use rights				
(2) Leased buildings		2,468,489,227.85		2,468,489,227.85
(3) Land use rights held and ready to be transferred after appreciation				
2. Other equity instrument investments			71,340,418.61	71,340,418.61

## X Related parties and related transactions

### 1. The ultimate controller of the Company

Name of the ultimate controller	Registration address	Business nature	The ultimate controller's shareholding ratio (%)	The ultimate controller's voting right ratio (%)
Chongqing Banan District State-owned Assets Management Center	Banan District, Chongqing	State organs	100.00	100.00

### 2. Information of subsidiaries of the Company

Information of subsidiaries of the Company refers to Note VIII.1 "Equity in subsidiaries".

### 3. Other related parties of the Group

Name of related party	Relationship with the Group
Chongqing Chengyi Water Conservancy Development Co., Ltd.	Shareholding company

#### 4. Related party transactions

##### (1) Related party guarantees

Guarantor	Secured party	Guarantee amount (RMB '000)	Start date	Expiry date	Whether the guarantee has been fulfilled
Chongqing Baotou Cultural Tourism Highway Group Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	120,000.00	2016-8-22	2017-8-21	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Yujiang Water Co., Ltd.	10,000.00	2016-12-16	2017-12-15	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Yujiang Water Co., Ltd.	20,000.00	2017-2-28	2017-2-27	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Nanchang Water Co., Ltd.	15,000.00	2019-4-1	2022-3-31	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	15,000.00	2020-1-12	2024-1-11	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	10,000.00	2020-1-20	2022-1-19	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	4,000.00	2020-5-28	2023-5-27	No
Chongqing Baotou Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	10,000.00	2020-6-8	2023-6-7	No
Chongqing Baotou Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	15,000.00	2020-6-15	2023-6-15	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	10,000.00	2020-6-23	2022-6-23	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	2,500.00	2020-6-24	2023-6-23	No
Chongqing Baotou Highway Construction Co., Ltd.	Chongqing Baotou Construction Investment Co., Ltd.	10,000.00	2020-6-24	2022-6-24	No

Guarantor	Secured party	Guarantee amount (RMB'0,000)	Start date	Expiry date	Whether the guarantee has been fulfilled
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	25,000.00	2020/6/28	2022/6/15	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	26,000.00	2020/6/28	2022/6/28	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	19,000.00	2020/6/26	2022/8/26	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	20,000.00	2020/9/15	2022/9/15	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	15,000.00	2020/9/28	2022/9/28	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	20,000.00	2020/10/30	2022/10/31	No
Chongqing Southern New City Industrial Investment Group Co., Ltd. and Chongqing Baotian Construction Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	20,000.00	2020/11/2	2022/11/2	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	50,000.00	2020/11/10	2022/11/10	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	10,000.00	2020/11/25	2022/11/25	No
Chongqing Southern New City Industrial Investment Group Co., Ltd. and Chongqing Baotian Construction Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	20,000.00	2020/11/10	2023/11/10	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Xiangyang Water Co., Ltd.	15,000.00	2020/12/29	2023/12/29	No
Chongqing Southern New City Industrial Investment Group Co., Ltd. and Chongqing Baotian Construction Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	10,000.00	2020/12/30	2022/12/30	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baotian Construction Investment Co., Ltd.	2,000.00	2021/1/7	2023/1/6	No



Guarantor	Secured party	Guarantee amount (RMB'000,000)	Start date	Expiry date	Whether the guarantee has been fulfilled
Chongqing Baizhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Baizhou Construction Investment Co., Ltd.	10,000.00	2021/1/13	2023/1/13	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Baizhou Construction Investment Co., Ltd.	2,565.00	2021/1/25	2024/1/24	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baizhou Construction Investment Co., Ltd.	20,000.00	2021/1/28	2023/1/28	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baizhou Construction Investment Co., Ltd.	13,000.00	2021/1/28	2023/1/27	No
Chongqing Baotian Cultural Tourism Industry Group Co., Ltd.	Chongqing Baizhou Construction Investment Co., Ltd.	8,000.00	2021/2/9	2024/2/8	No
Chongqing Baotian Highway Construction Co., Ltd., Chongqing Southern New City Industrial Investment Group Co., Ltd. and Chongqing Baizhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Baizhou Construction Investment Co., Ltd.	14,000.00	2021/3/19	2023/3/19	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Baizhou Cultural Tourism Industry Group Co., Ltd.	20,000.00	2021/3/30	2024/3/15	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baizhou Construction Investment Co., Ltd.	13,000.00	2021/3/31	2022/3/31	No
Chongqing Baotian Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Baizhou Cultural Tourism Industry Group Co., Ltd.	18,000.00	2021/4/21	2022/4/13	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Yuliang Water Co., Ltd.	5,000.00	2021/4/23	2022/4/22	No
Chongqing Baotian Highway Construction Co., Ltd.	Chongqing Baizhou Cultural Tourism Industry Group Co., Ltd.	20,000.00	2021/5/19	2022/5/18	No
Chongqing Baizhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Baotian Construction Co., Ltd.	10,000.00	2021/5/20	2022/5/20	No
Chongqing Baizhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Yuliang Construction Co., Ltd.	130,000.00	2021/6/18	2029/6/17	No

Guarantor	Secured party	Apparatus amount (RMB'000,000)	Start date	Expiry date	Whether the guarantee has been fulfilled
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	6,300,000	2021/6/23	2024/6/20	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	20,000,000	2021/6/28	2026/7/1	No
Chongqing Huzhou Highway Construction Co., Ltd.	Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	9,500,000	2021/7/2	2023/7/2	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Huzhou Construction Co., Ltd.	40,000,000	2021/7/15	2023/7/15	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Yujiang Water Co., Ltd.	20,000,000	2021/7/22	2024/7/22	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Yujiang Water Co., Ltd.	20,000,000	2021/7/28	2023/7/28	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Huzhou Construction Investment Co., Ltd.	20,000,000	2021/8/20	2023/8/20	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Huzhou Construction Investment Co., Ltd.	15,000,000	2021/8/25	2024/8/25	No
Chongqing Huzhou Highway Construction Co., Ltd.	Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	25,000,000	2021/9/30	2024/10/12	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Southern New City Industrial Investment Group Co., Ltd.	Chongqing Huzhou Construction Co., Ltd.	20,000,000	2021/12/2	2023/12/2	No
Chongqing Huzhou Highway Construction Co., Ltd.	Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	20,500,000	2021/12/14	2026/12/14	No
Chongqing Huzhou Highway Construction Co., Ltd. and Chongqing Huzhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Huzhou Construction Investment Co., Ltd.	27,000,000	2021/12/24	2023/12/23	No
Chongqing Huzhou Highway Construction Co., Ltd.	Chongqing Nansheng Water Co., Ltd.	15,000,000	2019/4/1	2022/3/31	No

### 3. Amount due from / to related parties

Item	Closing balance	Opening balance
Other payables:	326,942.14	
Chongqing Chengyi Water Conservancy Development Co., Ltd.	326,942.14	
Total	326,942.14	

## XI Commitments and contingencies

### 1. Significant commitments

As of 31 December 2021, there were no significant commitments of the Group that need to be disclosed.

### 2. Contingencies

#### (1) Guarantees

Details of the guarantees between the Group and related parties refer to Note X "Related parties and related transactions".

Notes for other guarantee matters of the Group as a guarantor:

Secured party	Guarantee amount (RMB'0,000)	Start date	Expiry date	Whether the guarantee has been fulfilled
Chongqing Southern New City Industrial Investment Group Co., Ltd.	8,000.00	2021/3/12	2023/3/11	No
Chongqing Baan Economic Park Development & Construction Co., Ltd.	84,730.00	2016/8/31	2031/8/30	No
Chongqing Baan Economic Park Development & Construction Co., Ltd.	125,000.00	2017/5/19	2027/5/19	No
Chongqing Highway Logistics Base Construction Co., Ltd.	62,900.00	2017/3/16	2027/3/17	No
Chongqing Highway Logistics Base Construction Co., Ltd.	200,000.00	2016/4/24	2036/4/25	No
Chongqing International Biological City Development & Investment Co., Ltd.	10,000.00	2020/1/20	2025/1/19	No

Secured party	Guarantee amount (RMB'0,000)	Start date	Expiry date	Whether the guarantee has been fulfilled
Chongqing Banan District Xintu Land Consolidation Co., Ltd.	88,000.00	2016/6/21	2026/6/20	No
Chongqing Chengyi Water Conservancy Development Co., Ltd.	20,000.00	2016/4/21	2028/4/20	No
Chongqing Southern New City Industrial Investment Group Co., Ltd.	65,249.00	2020/11/5	2023/10/26	No

## XII Events after the balance sheet date

As of the approval date of the issuance of this report, there were no significant events after the balance sheet date that need to be disclosed.

## XIII Other significant events

### 1. Corrections of previous accounting errors

#### (1) Correction of significant previous accounting errors of the Company

In 2020, the Company received a registered capital of RMB 100 million from Chongqing Banan District State-owned Assets Management Center, of which RMB 10 million was wrongly included in the capital reserve. Therefore, the paid-in capital at the end of 2020 should be increased by RMB 10 million, and the capital reserve at the end of 2020 should be reduced by RMB 10 million.

#### (2) Corrections of significant previous accounting errors of subsidiaries

In 2016, Chongqing Banan Highway Construction Co., Ltd. (hereinafter referred to as "Banan Highway Company"), a subsidiary of the Company, assisted the Banan District Government to solve the financing problem of Banan Global Times Square and Kaichuan Ziyiyun Project, borrowed RMB 118 million to the Banan District Stability Maintenance Team Office, and received a refund of RMB 53 million from the Banan District Stability Maintenance Team Office in 2018. In 2020, Banan Highway Company received debt repayment assets (real estates and parking spaces of Kaichuan Ziyiyun and Global Times Square) and used them for rent, but Banan Highway Company did not record those assets in the account. Therefore, the other receivables at the end of 2020 should be reduced by RMB 65,800,000.00, and the investment property at the end of 2020 should be increased by RMB 65,800,000.00.

Banan Highway Company obtained RMB 60.69 million of Wang Tianxiang's creditor's rights for free for assisting in solving the financing problems of Banan Global Times Square and Kaichuan Ziyiyun Project. In March 2020, Banan Highway Company obtained some commercial facades and parking spaces to pay off the part of above creditor's rights. The assessed value of the commercial facades and parking spaces was RMB 25,723,373.99. The commercial facades and parking spaces were used for rent, but the Company did not record those assets in the account. Therefore, the investment property and non-operating income at the end of 2020 should be increased by RMB 25,723,373.99 respectively, and the taxes and surcharges payable at the end of 2020 should be increased by RMB 6,430,843.50.

In 2011, the Nanquan Huayuan and Flower Garden projects of Banan Highway Company were subject to administrative punishment by the Banan Branch of Chongqing Municipal Planning Bureau, and 7,083 square meters of assets were confiscated with an asset assessment value of RMB 50 million. The confiscated assets were not recorded in the account. Therefore, the other receivables in previous years should be reduced by RMB 50 million, and the retained earnings at the beginning of 2020 should be reduced by RMB 50 million.

In 2020, the Nanquan Huayuan and Flower Garden projects of Banan Highway Company were subject to administrative punishment by the Chongqing Banan District Urban Administration Bureau, and 8,362.8 square meters of assets were confiscated. The confiscated assets were not recorded in the account. Therefore, the prepayment at the end of 2020 should be reduced by RMB 45 million, the impairment loss of other receivables accrued at the end of 2020 should be reversed by RMB 12,187,372.88, the other receivables at the end of 2020 should be reduced by RMB 16,445,136.69, the non-operating expenses in 2020 should be increased by RMB 61,445,136.69, the impairment loss on assets in 2020 was reversed to adjust the deferred tax assets of RMB 3,046,843.22 in 2020, the impairment loss on assets accrued in 2020 of RMB 12,146,143.31 were converted into actual losses, and the deferred tax assets of the previous years were reduced by RMB 3,036,535.83.

### (3) Corrections of significant previous accounting errors of sub-subsidiaries

In 2020, Chongqing Xianmuyuan Hotel Management Co., Ltd., a sub-subsidiary of the Company, was subject to administrative punishment by Chongqing Banan District Urban Administration Bureau, and 6,701.38 square meters of assets were confiscated. The confiscated assets were not recorded in the account. Therefore, the operating costs in 2020 should be reduced by RMB 725,172.31, the fixed assets at the end of 2020 should be reduced by RMB 44,848,870.99, and the non-operating expenses in



2020 should be increased by RMB 45,574,043.30.

The sub-subsidiary Chongqing Banan Security Service Co., Ltd. accrues termination benefits every year based on the average monthly salary of the security staff on the dispatched campus. In 2020, the accrued termination benefits were RMB 2,770,068.00, and the accrued termination benefits in previous years were RMB 10,037,179.80. The operating costs in 2020 should be reduced by RMB 2,770,068.00, and the retained earnings of the previous years should be increased by RMB 10,037,179.80.

Impact on consolidated financial statements as at 31 December 2020 due to above corrections:

Item	Before correction	Adjusted the amount of the current period	Adjusted the amount of the previous periods	After correction
Prepayment	150,169,205.98	-45,000,000.00		105,169,205.98
Other receivables	1,394,335,184.65	-70,057,763.81	-50,000,000.00	1,274,277,420.84
Fixed assets	97,310,708.75	-44,848,870.99		52,461,837.76
Investment property	1,882,352,953.64	91,523,373.99		1,973,876,327.63
Deferred tax assets	7,750,629.15	-3,046,843.22	-3,036,535.83	1,667,250.10
Taxes and surcharges payable	494,382,567.83	6,430,843.50		500,813,411.33
Payroll payable	31,733,175.63	-2,770,068.00	-10,037,179.80	18,925,927.83
Paid-in capital	100,000,000.00	10,000,000.00		110,000,000.00
Capital reserve	9,805,235,142.35	-10,000,000.00		9,795,235,142.35
Surplus reserve	179,911,730.01	-3,301,207.66	-5,303,653.58	171,306,868.77
Retained earnings	1,500,292,316.03	-75,090,879.53	-42,999,356.03	1,382,202,080.47
Total owners' equity attributable to the parent company	11,868,758,446.99	-75,090,879.53	-42,999,356.03	11,750,668,211.43
Total owners' equity	11,881,721,001.84	-75,090,879.53	-42,999,356.03	11,763,630,766.28
Operating costs	2,901,665,031.71	-3,495,240.31	-10,037,179.80	2,898,169,791.40
Impairment loss on assets	-6,593,043.26	12,187,372.88		5,594,329.62
Non-operating income	8,497,385.72	25,723,373.99		34,320,759.71
Non-operating expenses	20,786,287.79	107,019,179.99	50,000,000.00	127,805,467.78
Income tax expenses	81,267,821.54	9,477,686.72	3,036,535.83	90,745,508.26



Item	Before correction	Adjusted the amount of the current period	Adjusted the amount of the previous periods	After correction
Net profit	281,464,297.80	-75,090,879.53	-53,036,535.83	206,373,418.27
Net profit attributable to the parent company	281,204,908.38	-75,090,879.53	-53,036,535.83	206,114,028.85

Impact on the Company's financial statements as at 31 December 2020 due to above corrections:

Item	Before correction	Adjusted the amount in the current period	After correction
Paid-in capital	100,000,000.00	10,000,000.00	110,000,000.00
Capital reserve	11,564,043,622.14	-10,000,000.00	11,554,043,622.14

#### XIV Notes to the financial statements of the Company

##### 1. Accounts receivable

###### (1) Accounts receivable disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	2,191.50	
Sub-total	2,191.50	
Less: Bad debt provisions		
Total	2,191.50	

###### (2) Accounts receivable disclosed by the accrual method of bad debt provisions

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)	
Accounts receivable with single provision for bad debts					
Accounts receivable with provision for bad debts based on the portfolio	2,191.50	100.00			2,191.50
Portfolio 1	2,191.50	100.00			2,191.50
Total	2,191.50	100.00			2,191.50

###### (3) Accounts receivable adopting the aging analysis method to make bad debt provisions in the

portfolio

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual proportion (%)
Within 1 year (including 1 year)	2,191.50		
Total	2,191.50		—

## 2. Other receivables

### (1) Classification of other receivables

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	2,891,694,194.55	532,137,276.02
Total	2,891,694,194.55	532,137,276.02

### (2) Other receivables

#### 1) Other receivables disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	2,891,694,194.55	532,137,276.02
Sub-total	2,891,694,194.55	532,137,276.02
Less: Bad debt provisions		
Total	2,891,694,194.55	532,137,276.02

#### 2) Other receivables disclosed by nature

Nature	Closing balance	Opening balance
Receivables from government units	26,483,000.00	
Receivables from related parties	2,831,403,457.23	531,637,276.02
Receivables from non-related parties		500,000.00
Funds lending	1,300,000.00	
Security deposits	32,425,000.00	
Other	130,520.32	

Nature	Closing balance	Opening balance
Sub-total	2,891,741,977.55	532,137,276.02
Less: Bad debt provisions	47,783.00	
Total	2,891,694,194.55	532,137,276.02

3) Details of accrual of bad debt provisions

Bad debt provision	The first stage	The second stage	The third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss in the entire duration (no credit impairment)	Expected credit loss in the entire duration (credit impairment has occurred)	
Opening balance				
Opening balance in the current period				
-Transfer to the second stage				
-Transfer to the third stage				
-Reversal to the second stage				
-Reversal to the first stage				
Accrual in the current period	47,783.00			47,783.00
Reversal in the current period				
Charge-off in the current period				
Write-off in the current period				
Other changes				
Closing balance	47,783.00			47,783.00

4) Top five other receivables based on the closing balance

Name	Nature	Closing balance	Aging	Proportion in total of other receivables (%)	Closing balance of bad debt provision
Chongqing Banan Highway Construction Co., Ltd.	Receivable from related party	817,172,857.22	Within 1 year	28.26	
Chongqing Ruizhou Construction Investment Co., Ltd.	Receivable from related party	1,215,004,700.00	Within 1 year	42.02	

Name	Nature	Closing balance	Aging	Proportion in total of other receivables (%)	Closing balance of bad debt provision
Chongqing Baxin Construction Co., Ltd.	Receivable from related party	60,996,000.01	Within 1 year	2.11	
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Receivable from related party	485,759,900.00	Within 1 year	16.80	
Chongqing Baiyun Construction Investment Co., Ltd.	Receivable from related party	252,470,000.00	Within 1 year	8.73	
Total		2,831,403,457.23		97.92	

### 3. Long-term equity investments

#### (1) Classification of long-term equity investments

Item	Closing balance		
	Book balance	Impairment provision	Book value
Investment in subsidiaries	11,785,867,235.29		11,785,867,235.29
Investment in associates and joint ventures			
Total	11,785,867,235.29		11,785,867,235.29

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
Investment in subsidiaries	10,511,788,145.14		10,511,788,145.14
Investment in associates and joint ventures			
Total	10,511,788,145.14		10,511,788,145.14

(2) Investments in subsidiaries

Name of investee	Opening balance	Increase	Decrease	Closing balance	Current impairment provision accrued	Closing balance of impairment provision
Chongqing Banan Highway Construction Co., Ltd.	8,480,683,402.38			8,480,683,402.38		
Chongqing Haiyuan Construction Investment Co., Ltd.	1,479,732,189.97			1,479,732,189.97		
Chongqing Baxin Construction Co., Ltd.	805,899,285.37	500,000,000.00		805,899,285.37		
Chongqing Banan District Rural Cultural Tourism Development Co., Ltd.	136,018,151.73	100,000,000.00		236,018,151.73		
Chongqing Mubong Cultural Tourism Industrial Development Co., Ltd.	109,455,115.69	510,000,000.00		619,455,115.69		
Chongqing Yunan Water Conservancy and Electric Power Engineering Survey and Design Co., Ltd.		5,441,381.23		5,441,381.23		
Chongqing Nanchang Water Co., Ltd.		153,705,803.07		153,705,803.07		
Chongqing Banan District Nanfeng Hydropower Co., Ltd.		1,490,465.27		1,490,465.27		
Chongqing Banan District Guoguo Culture Media Co., Ltd.		3,072,077.86		3,072,077.86		
Chongqing Banan District Yufan Hydropower Co., Ltd.		369,362.72		369,362.72		
Total	10,511,788,145.14	1,274,079,090.15		11,785,867,235.29		

#### 4. Operating revenues & Operating costs

Item	2021		2020	
	Revenue	Cost	Revenue	Cost
Sub-total of other business	921,478.58	527,414.96		
Rent income	600,139.34			
Parking fee income	321,339.24	527,414.96		
Total	921,478.58	527,414.96		

#### 5. Investment income

##### (1) Details of investment income

Item	2021	2020
Investment income from financial products	488,693.71	826,000.00
Total	488,693.71	826,000.00



Legal Representative:



Chief Financial Officer:

*[Signature]*

Chief Accountant:

*[Signature]*





# 营业执照

(副本)

统一社会信用代码

914201065081978608H

扫描二维码登录  
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信息公示系统”,  
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备案、许可、监  
管信息。



5-5



名称 中审众环会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

执行事务合伙人 石文先; 管云

成立日期 2013年11月06日

合伙期限 长期

主要经营场所 武汉市武昌区东湖路169号2-8层

经营范围

审查企业会计报表,出具审计报告;验证企业资本,出具验资报告;办理企业合并、分立、清算事宜中的审计业务,出具有关报告;基本建设年度财务审计;基本建设竣工(结)算审核;法律、法规规定的其他业务;代理记账;会计咨询、税务咨询、管理咨询、会计培训。(依法须经批准的项目,经相关部门批准后方可开展经营活动)



登记机关

2021 10 28

三、

一、  
根據中國社會主義青年團章程，凡年已滿十六歲，具有中國籍，承認中國共產黨領導的青年，均可參加。

由美国国家地理杂志刊登。

2. 《会计档案管理办法》并《会计档案管理办法》。

4、会计准则是禁止或设置许可事项的：(中国财政部、国家税务总局《会计准则应用指南》)。

发证机关

И. В. И.

中华人民共和国财政部制

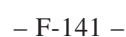


會計師事務所  
執業證書



姓名 陈 晓  
职务 首席注册会计师  
工作单位 立信会计师事务所  
联系电话 021-63391111  
电子邮箱 chenxiao@lixin.com.cn  
联系地址 上海市南京东路100号  
邮编 200002

组织形式：特殊普通合伙  
执业证书编号：43010000  
批准执业文号：湘财发〔2013〕55号  
批准执业日期：2013年10月29日





姓名 崔恒博  
Full Name 男  
Sex  
出生日期 1988-11-20  
Date of Birth  
工作单位 中审众环会计师事务所(特殊普通合伙)重庆分所  
Working Unit  
身份证号码 320881198811204730  
ID Card No.



### Annual Renewal Registration

本证书经检验合格,继续有效一年。  
This certificate is valid for another year after this renewal.



请查证书有效性

420100050254

证书编号:  
No. of Certificate

重庆市注册会计师协会

批准注册协会:  
Authorized Institute of

2017

09

11

发证日期:  
Date of Issuance

年

月

日



证书有效期至:  
2021年3月31日-2022年3月31日

重庆市注册会计师协会制

重庆巴洲文化旅游产业集团有限公司

审 计 报 告

2021 年 12 月 31 日





防伪编号： 02722022041098741204

中审众环会计师事务所(特殊普通合伙)已签



微信扫一扫查询真伪

报告文号： 众环审字(2022)1810068号  
委托单位： 重庆巴洲文化旅游产业集团有限公司  
被审验单位名称： 重庆巴洲文化旅游产业集团有限公司  
被审单位所在地： 重庆-巴南区  
事务所名称： 中审众环会计师事务所(特殊普通合伙)  
报告类型： 财务报表审计(无保留意见)  
报告日期： 2022-04-28  
报备日期： 2022-04-28  
签名注册会计师： 杨帆 崔恒银

重庆巴洲文化旅游产业集团有限公司(合  
并)



2021年度审计报告

事务所名称： 中审众环会计师事务所(特殊普通合伙)  
事务所电话： 027-86781083  
通信地址： 武汉市武昌区东湖路169号知音集团东湖办公区3号楼

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如对上述报备资料有疑问，请与湖北省注册会计师协会联系。

防伪查询电话号码： 027-87305466

防伪技术支持电话： 0755-82733911

防伪查询网址： <http://ds.jpt.hbicpa.org/check>



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## 审计报告

众环审字(2022)1810068号

重庆巴洲文化旅游产业集团有限公司全体股东:

### 一、审计意见

我们审计了重庆巴洲文化旅游产业集团有限公司(以下简称“巴洲文旅公司”)财务报表,包括2021年12月31日的合并及公司资产负债表,2021年度的合并及公司利润表、合并及公司现金流量表、合并及公司所有者权益变动表,以及财务报表附注。

我们认为,后附的财务报表在所有重大方面按照企业会计准则的规定编制,公允反映了巴洲文旅公司2021年12月31日的合并及公司财务状况以及2021年度的合并及公司经营成果和现金流量。

### 二、形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中国注册会计师职业道德守则,我们独立于巴洲文旅公司,并履行了职业道德方面的其他责任。我们相信,我们获取的审计证据是充分、适当的,为发表审计意见提供了基础。

### 三、管理层和治理层对财务报表的责任

巴洲文旅公司管理层(以下简称“管理层”)负责按照企业会计准则的规定编制财务报表,使其实现公允反映,并设计、执行和维护必要的内部控制,以使财务报表不存在由于舞弊或错误导致的重大错报。

在编制财务报表时,管理层负责评估巴洲文旅公司的持续经营能力,披露与持续经营相关的事项,并运用持续经营假设,除非管理层计划清算巴洲文旅公司、终止运

营或别无其他现实的选择。

治理层负责监督巴洲文旅公司的财务报告过程。

#### **四、注册会计师对财务报表审计的责任**

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误所导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

（一）识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

（二）了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

（三）评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

（四）对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对巴洲文旅公司持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息，然而，未来的

事项或情况可能导致巴洲文旅公司不能持续经营。

（五）评价财务报表的总体列报、结构和内容，并评价财务报表是否公允反映相关交易和事项。

（六）就巴洲文旅公司中实体或业务活动的财务信息获取充分、适当的审计证据，以对财务报表发表意见。我们负责指导、监督和执行集团审计，并对审计意见承担全部责任。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

  
中审众环会计师事务所（特殊普通合伙）  
中国·武汉

中国注册会计师：杨  
（项目合伙人）



中国注册会计师：崔



2022 年 4 月 28 日



# 合并资产负债表

编制单位:重庆巴洲文化旅游产业集团有限公司

已审计-请与审计报告一并阅读  
中审众环会计师事务所(特殊普通合伙)  
重庆分所

项目	附注	2021年12月31日	2021年1月1日	2020年12月31日
流动资产:				
货币资金	六、1	1,486,873,322.86	2,353,526,008.59	2,353,526,008.59
交易性金融资产				—
衍生金融资产				
应收票据				
应收账款	六、2	2,280,204,922.75	3,087,349,490.38	3,089,027,611.45
应收款项融资				—
预付款项	六、3	9,494,587.50	105,169,205.98	105,169,205.98
其他应收款	六、4	3,073,832,488.82	1,273,745,388.14	1,274,277,420.84
其中:应收利息				
应收股利		2,328,716.93		
存货	六、5	12,779,970,862.69	12,479,072,233.95	12,479,072,233.95
合同资产				—
持有待售资产				
一年内到期的非流动资产				
其他流动资产	六、6	117,303,657.97	37,388,868.73	37,388,868.73
流动资产合计		19,757,569,842.59	19,336,251,195.77	19,338,461,349.54
非流动资产:				
债权投资				—
可供出售金融资产		—	—	38,970,000.00
其他债权投资				—
长期应收款	六、7		134,608,697.98	134,608,697.98
长期股权投资				
其他权益工具投资	六、8	71,340,418.61	39,609,284.06	—
其他非流动金融资产	六、9		300,000.00	—
投资性房地产	六、10	2,468,489,227.85	1,973,876,327.63	1,973,876,327.63
固定资产	六、11	130,236,766.38	52,461,837.76	52,461,837.76
在建工程	六、12	415,180,926.74	369,768,905.98	369,768,905.98
生产性生物资产				
油气资产				
使用权资产				—
无形资产	六、13	550,589,692.88	6,773.30	6,773.30
开发支出				
商誉				
长期待摊费用	六、14	3,391,295.05	4,503,529.08	4,503,529.08
递延所得税资产	六、15	3,877,795.46	2,210,655.01	1,667,250.10
其他非流动资产	六、16	9,429,011,782.14	9,223,927,322.95	9,223,927,322.95
非流动资产合计		13,072,097,905.11	11,801,471,333.75	11,799,788,644.78
资产总计		32,829,667,747.70	31,137,722,529.52	31,138,249,994.32

法定代表人:

蒋文

主管会计工作负责人:

杨熾

会计机构负责人:

张

## 合并资产负债表(续)

已审计,请与审计报告一并阅读  
中审众环会计师事务所(特殊普通合伙)

编制单位:重庆巴蜀文化旅游产业集团有限公司

项 目	附注	2021年12月31日	2020年12月31日	2019年12月31日
<b>流动负债:</b>				
短期借款	六. 17	1,051,500,000.00	465,950,000.00	465,950,000.00
交易性金融负债				—
衍生金融负债				
应付票据	六. 18		568,000,000.00	568,000,000.00
应付账款	六. 19	180,722,289.02	935,235,100.83	935,235,100.83
预收款项		1,670,512.38	887,085.17	1,473,860,008.25
合同负债	六. 20	1,046,866,289.46	1,454,139,761.51	—
应付职工薪酬	六. 21	19,391,900.00	18,925,927.83	18,925,927.83
应交税费	六. 22	510,080,479.64	500,813,411.33	500,813,411.33
其他应付款	六. 23	3,847,189,958.80	3,595,983,712.25	3,595,983,712.25
其中: 应付利息			101,778,681.42	101,778,681.42
应付股利				
持有待售负债				
一年内到期的非流动负债	六. 24	3,898,922,876.42	3,055,500,552.98	3,055,500,552.98
其他流动负债	六. 25	280,137,916.09	68,845,161.53	
流动负债合计		10,816,779,222.64	10,619,289,713.43	10,619,289,713.43
<b>非流动负债:</b>				
长期借款	六. 26	4,863,022,044.80	3,745,613,698.47	3,745,613,698.47
应付债券	六. 27	1,557,728,206.26	1,860,933,276.35	1,860,933,276.35
其中: 优先股				
永续债				
租赁负债				—
长期应付款	六. 28	1,846,407,448.44	2,935,987,057.09	2,935,987,057.09
长期应付职工薪酬				
预计负债				
递延收益	六. 29	22,634,021.89	2,500,671.19	2,500,671.19
递延所得税负债	六. 30	220,411,013.19	210,579,062.63	210,294,241.61
其他非流动负债	六. 30	984,210,755.10		
非流动负债合计		9,494,413,489.90	8,755,614,335.63	8,755,328,514.61
负债合计		20,311,192,712.54	19,374,904,049.06	19,374,619,228.04
<b>所有者权益:</b>				
实收资本	六. 31	510,000,000.00	110,000,000.00	110,000,000.00
其他权益工具				
其中: 永续债				
资本公积	六. 32	9,872,673,040.16	9,795,235,142.35	9,795,235,142.35
减: 库存股				
其他综合收益	六. 33	464,888,302.57	464,085,451.55	463,230,968.51
专项储备				
盈余公积				
未分配利润	六. 34	1,555,399,144.70	1,382,535,331.81	1,382,202,080.47
归属于母公司所有者权益合计		12,502,938,487.43	11,749,855,928.61	11,750,668,211.43
少数股东权益		15,536,548.13	12,982,554.85	12,902,554.85
股东权益合计		12,518,475,035.56	11,762,838,483.46	11,763,570,766.28
负债和股东权益总计		32,825,667,747.70	31,137,722,529.52	31,138,249,994.32

法定代表人

蒋文

主管会计工作负责人

杨斌

会计机构负责人

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# 合并利润表

已审计·请与审计报告一并阅读  
中民文化发展股份有限公司(天津滨海高新区)  
2021年度

编制单位: 中民文化发展股份有限公司	2021年度	本期金额	上期金额
一、营业总收入		2,583,092,597.35	3,118,804,508.16
其中: 营业收入	六、35	2,583,092,597.35	3,118,804,508.16
二、营业总成本		2,539,301,723.81	2,888,267,918.24
其中: 营业成本	六、35	2,296,410,287.03	2,890,169,791.40
税金及附加	六、36	18,778,429.00	13,462,828.20
销售费用	六、37	4,230,116.68	5,077,080.00
管理费用	六、38	115,773,073.63	67,671,146.81
研发费用			
财务费用	六、39	103,111,818.47	3,687,270.75
其中: 利息费用		107,250,804.84	7,088,322.15
利息收入		5,937,110.78	5,491,053.84
加: 其他收益	六、40	158,682,778.89	85,038,282.14
投资收益 (损失以“-”号填列)	六、41	2,852,758.15	5,378,045.87
其中: 对联营企业和合营企业的投资收益			
以摊余成本计量的金融资产终止确认收益 (损失以“-”号填列)			
净敞口套期收益 (损失以“-”号填列)			
公允价值变动收益 (损失以“-”号填列)	六、42	38,555,246.25	110,767,265.91
信用减值损失 (损失以“-”号填列)	六、43	-6,877,538.32	-
资产减值损失 (损失以“-”号填列)	六、44	-235,681.88	-4,594,329.62
资产处置收益 (损失以“-”号填列)	六、45	-	303,131.14
三、营业利润 (亏损以“-”号填列)		236,868,534.86	290,803,634.80
加: 营业外收入	六、46	8,576,193.80	34,320,769.71
减: 营业外支出	六、47	10,317,081.82	127,805,467.28
四、利润总额 (亏损总额以“-”号填列)		235,127,646.84	297,318,937.23
减: 所得税费用	六、48	80,373,840.53	90,745,508.26
五、净利润 (净亏损以“-”号填列)		174,753,806.31	206,573,428.97
(一) 按经营持续性分类:			
1. 持续性经营净利润 (净亏损以“-”号填列)		174,753,806.31	206,573,428.97
2. 终止经营净利润 (净亏损以“-”号填列)			
(二) 按所有权归属分类:			
1. 归属于母公司股东的净利润 (净亏损以“-”号填列)		171,456,713.05	206,114,028.85
2. 少数股东损益 (净亏损以“-”号填列)		3,297,093.26	298,398.42
六、其他综合收益的税后净额		780,850.92	-
(一) 归属母公司股东的其他综合收益的税后净额		780,850.92	-
1. 不能重分类进损益的其他综合收益		780,850.92	-
(1) 重新计量设定受益计划变动额			
(2) 权益法下不能转损益的其他综合收益			
(3) 其他权益工具投资公允价值变动		780,850.92	-
(4) 企业自身信用风险公允价值变动			
(5) 其他			
2. 将重分类进损益的其他综合收益			
(1) 权益法下可转损益的其他综合收益			
(2) 其他债权投资公允价值变动			
(3) 金融资产重分类计入其他综合收益的金额			
(4) 其他债权投资信用减值准备			
(5) 外币财务报表折算差额			
(6) 其他债权投资信用减值准备			
(7) 其他			
(二) 归属于少数股东的其他综合收益的税后净额			
七、综合收益总额		175,534,657.23	206,573,428.97
归属于母公司股东的综合收益总额		172,237,564.01	206,114,028.85
归属于少数股东的综合收益总额		3,297,093.22	298,398.42

法定代表人

蒋文

主管会计工作负责人

杨斌

会计机构负责人

张心

# 合并现金流量表

编制单位:重庆巴蜀文化旅游产业集团有限公司

2021年度

已审计,请与审计报告一并阅读  
本期金额 上期金额  
单位:人民币元

	附注	本期金额	上期金额
一、经营活动产生的现金流量:			
销售商品、提供劳务收到的现金		594,472,942.24	805,884,407.51
收到的税费返还		113,621.19	1,650,790.59
收到其他与经营活动有关的现金	六、49	5,222,666,279.61	8,746,597,870.95
经营活动现金流入小计		5,817,282,843.04	9,554,133,069.05
购买商品、接受劳务支付的现金		2,648,179,803.27	2,817,311,870.42
支付给职工以及为职工支付的现金		229,327,344.15	181,849,895.12
支付的各项税费		114,125,170.70	139,597,054.51
支付其他与经营活动有关的现金	六、49	2,714,330,869.60	8,018,348,337.82
经营活动现金流出小计		5,705,953,287.72	11,157,107,157.87
经营活动产生的现金流量净额	六、50	111,319,555.32	-1,602,974,088.82
二、投资活动产生的现金流量:			
收回投资收到的现金		8,500,000.00	-
取得投资收益收到的现金		1,657,164.24	4,793,974.85
处置固定资产、无形资产和其他长期资产收回的现金净额		71,523.87	384,512.98
处置子公司及其他营业单位收到的现金净额		-	-
收到其他与投资活动有关的现金		220,636,760.93	106,000,000.00
投资活动现金流入小计		230,665,449.04	111,178,487.83
购建固定资产、无形资产和其他长期资产支付的现金		830,297,666.56	336,193,213.47
投资支付的现金		8,000,000.00	-
取得子公司及其他营业单位支付的现金净额		-	-
支付其他与投资活动有关的现金	六、49	1,668,337,978.03	88,000,000.00
投资活动现金流出小计		2,504,535,644.59	424,193,213.47
投资活动产生的现金流量净额		-2,273,770,195.55	-313,014,725.64
三、筹资活动产生的现金流量:			
吸收投资收到的现金		500,000,000.00	100,000,000.00
其中:子公司吸收少数股东投资收到的现金		-	-
取得借款收到的现金		7,392,849,630.00	8,406,616,845.10
收到其他与筹资活动有关的现金	六、49	947,000,000.00	25,030,000.00
筹资活动现金流入小计		8,839,849,630.00	8,531,646,845.10
偿还债务支付的现金		5,554,826,162.09	3,320,416,526.76
分配股利、利润或偿付利息支付的现金		764,512,443.41	707,143,424.08
其中:子公司支付给少数股东的股利、利润		-	-
支付其他与筹资活动有关的现金	六、49	760,261,080.00	488,296,900.65
筹资活动现金流出小计		7,079,601,675.50	4,515,856,851.47
筹资活动产生的现金流量净额		1,760,247,954.50	2,015,789,993.63
四、汇率变动对现金及现金等价物的影响			
五、现金及现金等价物净增加额	六、50	-402,202,885.73	99,801,179.17
加:期初现金及现金等价物余额	六、50	1,869,876,008.59	1,770,074,829.42
六、期末现金及现金等价物余额	六、50	1,467,673,322.86	1,869,876,008.59

法定代表人

蒋文

主管会计工作负责人

杨敏

会计机构负责人

张



## 合并所有者权益变动表

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所有者权益变动表	项目	实收资本	其他权益工具	资本公积	减：库存股	专项储备	盈余公积	未分配利润	小计	少数股东权益	所有者权益合计
上年年末余额			优先股								
一、上年年末余额	100,000,000.00	100,000,000.00		9,655,205,142.35			453,130,988.81	1,502,282,316.00	11,880,795,441.96	12,982,558,805.86	11,881,721,001.64
二、会计政策变更							254,603.04	17,880,270.88	18,134,873.92		1812,288.82
三、前期差错更正				-10,000,000.00				118,000,238.56	-18,000,238.56		-18,000,238.56
四、所有者权益变动											
其他											
五、本年所有者权益变动	110,000,000.00	110,000,000.00		8,795,205,142.35			657,734,091.85	1,520,162,586.88	11,749,895,521.81	12,982,558,805.86	11,762,814,883.88
六、本年所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
七、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
八、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
九、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十一、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十二、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十三、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十四、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十五、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十六、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十七、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十八、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
十九、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十一、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十二、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十三、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十四、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十五、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十六、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十七、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十八、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
二十九、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十一、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十二、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十三、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十四、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十五、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十六、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十七、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十八、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
三十九、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十一、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十二、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十三、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十四、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十五、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十六、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十七、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十八、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
四十九、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十一、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十二、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十三、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十四、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十五、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十六、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十七、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十八、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
五十九、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十一、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十二、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十三、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十四、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十五、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十六、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十七、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178,883,813.09	753,082,311.82	2,573,963,266.10	755,556,558.10
六十八、所有者权益变动	500,000,000.00	500,000,000.00		77,437,887.81			780,890,922.22	178			

# 合并所有者权益变动表(续)

单位: 人民币元

2021年度

归属于母公司所有者权益												
项目	实收资本	其他权益工具		资本公积	减：库存股	其他综合收益	专项储备	盈余公积	一般风险准备	未分配利润	小计	少数股东权益
		优先股	永续债									
一、上年年末余额	10,000,000.00			8,795,235.14		403,230,988.81				1,241,051,502.55	11,539,517,500.81	12,701,185.43
加：会计政策变更												
前期差错更正												
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# 资产负债表

编制单位：重庆巴洲文化旅游产业集团有限公司

已审计，请与审计报告一并阅读

单位：人民币元

项目	附注	2021年12月31日	2021年1月1日	2020年12月31日
<b>流动资产：</b>				
货币资金		164,138,533.39	1,667,491.89	1,687,491.89
交易性金融资产				-
衍生金融资产				
应收票据				
应收账款	十四、1	2,191.50		
应收款项融资				-
预付款项				
其他应收款	十四、2	2,891,694,194.55	532,137,276.02	532,137,276.02
其中：应收利息				
应收股利				
存货		53,318,198.52		
合同资产				-
持有待售资产				
一年内到期的非流动资产				
其他流动资产		85,686,375.99	28,301.89	28,301.89
<b>流动资产合计</b>		<b>3,194,839,493.95</b>	<b>534,053,069.80</b>	<b>534,053,069.80</b>
<b>非流动资产：</b>				
债权投资				-
可供出售金融资产				
其他债权投资				-
长期应收款				
长期股权投资	十四、3	11,785,867,235.29	10,511,768,145.14	10,511,768,145.14
其他权益工具投资				-
其他非流动金融资产				-
投资性房地产				
固定资产		151,618.02		
在建工程		86,201.83		
生产性生物资产				
油气资产				
使用权资产				-
无形资产		550,215,508.57		
开发支出				
商誉				
长期待摊费用				
递延所得税资产		11,945.75		
其他非流动资产		1,363,117,977.00	1,362,117,977.00	1,362,117,977.00
<b>非流动资产合计</b>		<b>13,699,450,485.46</b>	<b>11,873,906,122.14</b>	<b>11,873,906,122.14</b>
<b>资产总计</b>		<b>16,894,289,979.41</b>	<b>12,407,959,191.94</b>	<b>12,407,959,191.94</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：

# 资产负债表(续)

编制单位:重庆巴州文化旅游产业集团有限公司

已审计,请与审计报告一并阅读  
中审众环会计师事务所(特殊普通合伙)

项 目	附注	2021年12月31日	2021年1月1日	2020年12月31日
<b>流动负债:</b>				
短期借款		565,000,000.00	100,000,000.00	100,000,000.00
交易性金融负债				-
衍生金融负债				
应付票据				
应付账款		351,196.72	500,000.00	500,000.00
预收款项				
合同负债				
应付职工薪酬		1,525,450.50	-	-
应交税费		36,010.87	-	-
其他应付款		1,811,854,525.38	643,589,800.00	643,589,800.00
其中:应付利息				
应付股利				
持有待售负债				
一年内到期的非流动负债		528,481,962.14		
其他流动负债		8,809,931.51		
<b>流动负债合计</b>		<b>2,916,059,067.10</b>	<b>744,089,800.00</b>	<b>744,089,800.00</b>
<b>非流动负债:</b>				
长期借款		928,050,000.00		
应付债券		222,789,453.00		
其中:优先股				
永续债				
租赁负债				-
长期应付款		504,225,351.09	-	-
长期应付职工薪酬				
预计负债				
递延收益				
递延所得税负债				
其他非流动负债				
<b>非流动负债合计</b>		<b>1,655,064,804.09</b>	<b>-</b>	<b>-</b>
<b>负债合计</b>		<b>4,571,123,871.19</b>	<b>744,089,800.00</b>	<b>744,089,800.00</b>
<b>所有者权益:</b>				
实收资本		610,000,000.00	110,000,000.00	110,000,000.00
其他权益工具				
其中:永续债				
资本公积		11,718,122,712.29	11,554,043,622.14	11,554,043,622.14
减:库存股				
其他综合收益				
专项储备				
盈余公积				
未分配利润		-4,955,604.07	-174,230.20	-174,230.20
<b>股东权益合计</b>		<b>12,323,166,108.22</b>	<b>11,663,869,391.94</b>	<b>11,663,869,391.94</b>
<b>负债和股东权益总计</b>		<b>16,894,289,979.41</b>	<b>12,407,959,191.94</b>	<b>12,407,959,191.94</b>

法定代表人:

蒋文

主管会计工作负责人:

杨曦

会计机构负责人:

Peper



# 利润表

编制单位:重庆巴洲文化旅游产业集团有限公司

2021年度

已审计,请与单位负责人、财务总监、  
内部审计机构负责人(待签字)共同阅读

项 目	附注	本期金额	上期金额
一、营业收入	十四、4	927,478.58	
减:营业成本	十四、4	527,414.96	
税金及附加		8,466.50	
销售费用			
管理费用		34,421,859.46	854,968.11
研发费用			
财务费用		-857,543.88	-41,109.89
其中:利息费用			
利息收入		662,719.49	43,266.89
加:其他收益		45,000,000.00	
投资收益(损失以“-”号填列)		488,693.71	826,000.00
其中:对联营企业和合营企业的投资收益			
以摊余成本计量的金融资产终止确认收益(损失以“-”号填列)			
净敞口套期收益(损失以“-”号填列)			
公允价值变动收益(损失以“-”号填列)			
信用减值损失(损失以“-”号填列)		-47,783.00	
资产减值损失(损失以“-”号填列)			
资产处置收益(损失以“-”号填列)			
二、营业利润(亏损以“-”号填列)		12,062,162.23	12,141.78
加:营业外收入		106,418.15	
减:营业外支出		640,000.00	
三、利润总额(亏损总额以“-”号填列)		11,528,580.38	12,141.78
减:所得税费用		-11,845.75	
四、净利润(净亏损以“-”号填列)		11,540,526.13	12,141.78
(一)持续经营净利润(净亏损以“-”号填列)		11,540,526.13	12,141.78
(二)终止经营净利润(净亏损以“-”号填列)			
五、其他综合收益的税后净额			
(一)不能重分类进损益的其他综合收益			
1、重新计量设定受益计划变动额			
2、权益法下不能转损益的其他综合收益			
3、其他权益工具投资公允价值变动			-
4、企业自身信用风险公允价值变动			-
5、其他			
(二)将重分类进损益的其他综合收益			
1、权益法下可转损益的其他综合收益			
2、其他债权投资公允价值变动			-
3、金融资产重分类计入其他综合收益的金额			
4、其他债权投资信用减值准备			-
5、现金流量套期储备			
6、外币财务报表折算差额			
7、其他			
六、综合收益总额		11,540,526.13	12,141.78

法定代表人:

蒋文

主管会计工作负责人:

杨曦

会计机构负责人:

阿心

# 现金流量表

已审计·请与审计报告一并阅读  
中审众环会计师事务所(特殊普通合伙)

编制单位:重庆巴蜀文化能源产业集团有限公司

2021年度

项目	附注	本期金额	上期金额
一、经营活动产生的现金流量:			
销售商品、提供劳务收到的现金		1,003,884.88	
收到的税费返还			
收到其他与经营活动有关的现金		6,385,332,862.61	725,163,268.89
经营活动现金流入小计		5,386,336,747.49	725,163,268.89
购买商品、接受劳务支付的现金		53,994,416.76	
支付给职工以及为职工支付的现金		14,650,038.06	
支付的各项税费		23,687.59	
支付其他与经营活动有关的现金		5,992,850,167.16	917,729,025.67
经营活动现金流出小计		6,061,518,509.57	917,729,025.67
经营活动产生的现金流量净额		-675,181,762.08	-192,565,756.78
二、投资活动产生的现金流量:			
收回投资收到的现金			59,000,000.00
取得投资收益收到的现金		488,693.71	826,000.00
处置固定资产、无形资产和其他长期资产收回的现金净额			
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金			
投资活动现金流入小计		488,693.71	59,826,000.00
购建固定资产、无形资产和其他长期资产支付的现金		551,004,255.43	
投资支付的现金		1,110,000,000.00	59,000,000.00
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金		528,001,000.00	
投资活动现金流出小计		2,189,005,255.43	59,000,000.00
投资活动产生的现金流量净额		-2,188,516,561.72	826,000.00
三、筹资活动产生的现金流量:			
吸收投资收到的现金		500,000,000.00	100,000,000.00
借款收到的现金		2,853,955,000.00	100,000,000.00
收到其他与筹资活动有关的现金		760,000,000.00	
筹资活动现金流入小计		4,123,955,000.00	200,000,000.00
偿还债务支付的现金		406,897,119.47	
分配股利、利润或偿付利息支付的现金		76,108,515.23	6,755,555.57
支付其他与筹资活动有关的现金		615,000,000.00	
筹资活动现金流出小计		1,098,005,634.70	6,755,555.57
筹资活动产生的现金流量净额		3,025,949,365.30	193,244,444.43
四、汇率变动对现金及现金等价物的影响			
五、现金及现金等价物净增加额		162,251,041.50	1,504,687.65
加:期初现金及现金等价物余额		1,887,491.89	382,804.24
六、期末现金及现金等价物余额		164,138,533.39	1,887,491.89

法定代表人:

主管会计工作负责人:

会计机构负责人:





# 所有者权益变动表 (续)

单位: 人民币元

2021年度

项目	上年数			专项储备	盈余公积	未分配利润	所有者权益合计
	实收资本	其他权益工具 永续债	资本公积				
一、上年年末余额	10,000,000.00		1,042,255,477.00			-186,371.88	1,052,069,105.02
加：会计政策变更							
前期差错更正							
其他							
二、本年期初余额	10,000,000.00		1,042,255,477.00			-186,371.88	1,052,069,105.02
三、本期增减变动金额（减少以“-”号填列）	100,000,000.00		10,511,788,145.14			12,141.78	10,511,800,286.92
（一）综合收益总额						12,141.78	12,141.78
（二）所有者投入和减少资本	100,000,000.00		10,511,788,145.14				10,511,788,145.14
1. 所有者投入的资本	100,000,000.00						100,000,000.00
2. 其他权益工具持有者投入资本							
3. 股份支付计入所有者权益的金额							
4. 其他			10,511,788,145.14				10,511,788,145.14
（三）利润分配							
1. 提取盈余公积							
2. 提取一般风险准备							
3. 对股东的分配							
4. 其他							
（四）所有者权益内部结转							
1. 资本公积转增资本							
2. 盈余公积转增资本							
3. 盈余公积弥补亏损							
4. 设定受益计划变动额结转留存收益							
5. 其他综合收益结转留存收益							
6. 其他							
（五）专项储备							
1. 本期提取							
2. 本期使用							
（六）其他							
四、本年年末余额	110,000,000.00		11,554,043,622.14			-174,230.20	11,663,869,391.94

已审计·请与审计报告一并阅读  
中审众环会计师事务所（特殊普通合伙）

法定代表人:

主管会计工作负责人:

会计机构负责人:

蒋文

杨斌

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已审计·请与审计报告一并阅读  
中审众环会计师事务所(特殊普通合伙)

# 重庆巴洲文化旅游产业集团有限公司

## 2021 年度财务报表附注

(除特别说明外, 金额单位为人民币元)

### 一、公司基本情况

重庆巴洲文化旅游产业集团有限公司(以下简称“本公司”)原名重庆巴滨建设有限公司, 成立于 2012 年 8 月 23 日。公司成立时注册资本为人民币 100,000.00 万元。本公司统一社会信用代码为 915001130532013163。法定代表人: 蒋文。

#### 1、企业注册地、组织形式和总部地址

注册地: 重庆市巴南区李家沱融汇大道 7 号 4 幢附 27 号

组织形式: 有限责任公司(国有独资)

总部地址: 重庆市巴南区李家沱融汇大道 7 号 4 幢附 25 号

#### 2、企业的业务性质和主要经营活动

本公司及各子公司(统称“本集团”)主要从事建筑业。主要经营范围: 房屋建筑和市政基础设施项目工程总承包, 各类工程建设活动, 餐饮服务, 食品经营, 住宿服务, 洗浴服务, 包装装潢印刷品印刷, 旅游景区管理, 游览景区管理, 名胜风景区管理, 土地整治服务, 园林绿化工程施工, 酒店管理, 非居住房地产租赁, 住房租赁, 柜台、摊位出租, 健身休闲活动, 洗染服务, 五金产品批发, 五金产品零售, 办公用品销售, 建筑用金属配件制造, 建筑装饰材料销售, 物业管理。

#### 3、最终控制方的名称

本公司的最终控制方为重庆市巴南区国有资产管理中心。

#### 4、财务报告的批准报出者和财务报告批准报出口

本财务报表系经本公司董事会于 2022 年 4 月 28 日批准报出。

#### 5、合并财务报表范围及其变化情况

截至 2021 年 12 月 31 日, 本集团纳入合并范围的一级子公司共 11 户, 详见本附注八“在其他主体中的权益”。本集团本年合并范围比上年增加 5 户, 详见本附注七“合并范围的变更”。

### 二、财务报表的编制基础

#### 1、编制基础

本公司财务报表以持续经营假设为基础, 根据实际发生的交易和事项, 按照财政部发布的《企业会计准则——基本准则》(财政部令第 33 号发布、财政部令第 76 号修订)、于 2006 年 2 月 15 日



及其后颁布和修订的 41 项具体会计准则、企业会计准则应用指南、企业会计准则解释及其他相关规定（以下合称“企业会计准则”）的规定编制。

根据企业会计准则的相关规定，本公司会计核算以权责发生制为基础。除某些金融工具和投资性房地产外，本财务报表均以历史成本为计量基础。资产如果发生减值，则按照相关规定计提相应的减值准备。

## 2、持续经营

公司自报告期末起未来 12 个月内不存在可能导致对持续经营能力产生重大疑虑的事项或情况。

## 三、遵循企业会计准则的声明

本集团编制的财务报表符合企业会计准则的要求，真实、完整地反映了本集团 2021 年 12 月 31 日的财务状况及 2021 年度的经营成果和现金流量等有关信息。

## 四、重要会计政策

### 1、会计期间

本集团的会计期间分为年度和中期，会计中期指短于一个完整的会计年度的报告期间。本集团会计年度采用公历年度，即每年自 1 月 1 日起至 12 月 31 日止。

### 2、营业周期

正常营业周期是指本集团从购买用于加工的资产起至实现现金或现金等价物的期间。本集团以 12 个月作为一个营业周期，并以其作为资产和负债的流动性划分标准。

### 3、记账本位币

人民币为本集团主要经济环境中的货币，本集团以人民币为记账本位币。编制本财务报表时所采用的货币为人民币。

### 4、同一控制下和非同一控制下企业合并的会计处理方法

企业合并，是指将两个或两个以上单独的企业合并形成一个报告主体的交易或事项。企业合并分为同一控制下企业合并和非同一控制下企业合并。

#### （1）同一控制下企业合并

参与合并的企业在合并前后均受同一方或相同的多方最终控制，且该控制并非暂时性的，为同一控制下的企业合并。同一控制下的企业合并，在合并日取得对其他参与合并企业控制权的一方为合并方，参与合并的其他企业为被合并方。合并日，是指合并方实际取得对被合并方控制权的日期。

合并方取得的资产和负债均按合并日在被合并方的账面价值计量。合并方取得的净资产账面价

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值与支付的合并对价账面价值（或发行股份面值总额）的差额，调整资本公积（股本溢价）；资本公积（股本溢价）不足以冲减的，调整留存收益。

合并方为进行企业合并发生的各项直接费用，于发生时计入当期损益。

## （2）非同一控制下企业合并

参与合并的企业在合并前后不受同一方或相同的多方最终控制的，为非同一控制下的企业合并。非同一控制下的企业合并，在购买日取得对其他参与合并企业控制权的一方为购买方，参与合并的其他企业为被购买方。购买日，是指为购买方实际取得对被购买方控制权的日期。

对于非同一控制下的企业合并，合并成本包含购买日购买方为取得对被购买方的控制权而付出的资产、发生或承担的负债以及发行的权益性证券的公允价值，为企业合并发生的审计、法律服务、评估咨询等中介费用以及其他管理费用于发生时计入当期损益。购买方作为合并对价发行的权益性证券或债务性证券的交易费用，计入权益性证券或债务性证券的初始确认金额。所涉及的或有对价按其在购买日的公允价值计入合并成本，购买日后 12 个月内出现对购买日已存在情况的新的或进一步证据而需要调整或有对价的，相应调整合并商誉。购买方发生的合并成本及在合并中取得的可辨认净资产按购买日的公允价值计量。合并成本大于合并中取得的被购买方于购买日可辨认净资产公允价值份额的差额，确认为商誉。合并成本小于合并中取得的被购买方可辨认净资产公允价值份额的，首先对取得的被购买方各项可辨认资产、负债及或有负债的公允价值以及合并成本的计量进行复核，复核后合并成本仍小于合并中取得的被购买方可辨认净资产公允价值份额的，其差额计入当期损益。

购买方取得被购买方的可抵扣暂时性差异，在购买日因不符合递延所得税资产确认条件而未予确认的，在购买日后 12 个月内，如取得新的或进一步的信息表明购买日的相关情况已经存在，预期被购买方在购买日可抵扣暂时性差异带来的经济利益能够实现的，则确认相关的递延所得税资产，同时减少商誉，商誉不足冲减的，差额部分确认为当期损益；除上述情况以外，确认与企业合并相关的递延所得税资产的，计入当期损益。

通过多次交易分步实现的非同一控制下企业合并，根据《财政部关于印发企业会计准则解释第 5 号的通知》（财会[2012]19 号）和《企业会计准则第 33 号——合并财务报表》第五十一条关于“一揽子交易”的判断标准（参见本附注四、5“合并财务报表的编制方法”（2）），判断该多次交易是否属于“一揽子交易”。属于“一揽子交易”的，参考本部分前面各段描述及本附注四、10“长期股权投资”进行会计处理；不属于“一揽子交易”的，区分个别财务报表和合并财务报表进行相关会计处理：

在个别财务报表中，以购买日之前所持被购买方的股权投资的账面价值与购买日新增投资成本

之和，作为该项投资的初始投资成本；购买日之前持有的被购买方的股权涉及其他综合收益的，在处置该项投资时将与其相关的其他综合收益采用与被购买方直接处置相关资产或负债相同的基础进行会计处理。

在合并财务报表中，对于购买日之前持有的被购买方的股权，按照该股权在购买日的公允价值进行重新计量，公允价值与其账面价值的差额计入当期投资收益；购买日之前持有的被购买方的股权涉及其他综合收益的，与其相关的其他综合收益应当采用与被购买方直接处置相关资产或负债相同的基础进行会计处理。

## 5、合并财务报表的编制方法

### （1）合并财务报表范围的确定原则

合并财务报表的合并范围以控制为基础予以确定。控制是指本集团拥有对被投资方的权力，通过参与被投资方的相关活动而享有可变回报，并且有能力运用对被投资方的权力影响该回报金额。

合并范围包括本公司及全部子公司。子公司，是指被本集团控制的主体。

一旦相关事实和情况的变化导致上述控制定义涉及的相关要素发生了变化，本集团将进行重新评估。

### （2）合并财务报表编制的方法

从取得子公司的净资产和生产经营决策的实际控制权之日起，本集团开始将其纳入合并范围；从丧失实际控制权之日起停止纳入合并范围。对于处置的子公司，处置日前的经营成果和现金流量已经适当地包括在合并利润表和合并现金流量表中；当期处置的子公司，不调整合并资产负债表的期初数。非同一控制下企业合并增加的子公司，其购买日后的经营成果及现金流量已经适当地包括在合并利润表和合并现金流量表中，且不调整合并财务报表的期初数和对比数。同一控制下企业合并增加的子公司，其自合并当期期初至合并日的经营成果和现金流量已经适当地包括在合并利润表和合并现金流量表中，并且同时调整合并财务报表的对比数。

在编制合并财务报表时，子公司与本公司采用的会计政策或会计期间不一致的，按照本公司的会计政策和会计期间对子公司财务报表进行必要的调整。对于非同一控制下企业合并取得的子公司，以购买日可辨认净资产公允价值为基础对其财务报表进行调整。

集团内所有重大往来余额、交易及未实现利润在合并财务报表编制时予以抵销。

子公司的股东权益及当期净损益中不属于本公司所拥有的部分分别作为少数股东权益及少数股东损益在合并财务报表中股东权益及净利润项下单独列示。子公司当期净损益中属于少数股东权益的份额，在合并利润表中净利润项目下以“少数股东损益”项目列示。少数股东分担的子公司的亏损超过了少数股东在该子公司期初股东权益中所享有的份额，仍冲减少数股东权益。

当因处置部分股权投资或其他原因丧失了对原有子公司的控制权时，对于剩余股权，按照其在丧失控制权日的公允价值进行重新计量。处置股权取得的对价与剩余股权公允价值之和，减去按原持股比例计算应享有原有子公司自购买日开始持续计算的净资产的份额之间的差额，计入丧失控制权当期的投资收益。与原有子公司股权投资相关的其他综合收益，在丧失控制权时采用与该子公司直接处置相关资产或负债相同的基础进行会计处理。其后，对该部分剩余股权按照《企业会计准则第 2 号——长期股权投资》或《企业会计准则第 22 号——金融工具确认和计量》等相关规定进行后续计量，详见本附注四、10“长期股权投资”或本附注四、7“金融工具”。

本集团通过多次交易分步处置对子公司股权投资直至丧失控制权的，需区分处置对子公司股权投资直至丧失控制权的各项交易是否属于一揽子交易。处置对子公司股权投资的各项交易的条款、条件以及经济影响符合以下一种或多种情况，通常表明应将多次交易事项作为一揽子交易进行会计处理：①这些交易是同时或者在考虑了彼此影响的情况下订立的；②这些交易整体才能达成一项完整的商业结果；③一项交易的发生取决于其他至少一项交易的发生；④一项交易单独看是不经济的，但是和其他交易一并考虑时是经济的。不属于一揽子交易的，对其中的每一项交易视情况分别按照“不丧失控制权的情况下部分处置对子公司的长期股权投资”（详见本附注四、10“长期股权投资”（2）④）和“因处置部分股权投资或其他原因丧失了对原有子公司的控制权”（详见前段）适用的原则进行会计处理。处置对子公司股权投资直至丧失控制权的各项交易属于一揽子交易的，将各项交易作为一项处置子公司并丧失控制权的交易进行会计处理；但是，在丧失控制权之前每一次处置价款与处置投资对应的享有该子公司净资产份额的差额，在合并财务报表中确认为其他综合收益，在丧失控制权时一并转入丧失控制权当期的损益。

#### 6、现金及现金等价物的确定标准

本集团现金及现金等价物包括库存现金、可以随时用于支付的存款以及本集团持有的期限短（一般为从购买日起，三个月内到期）、流动性强、易于转换为已知金额的现金、价值变动风险很小的投资。

#### 7、金融工具

在本集团成为金融工具合同的一方时确认一项金融资产或金融负债。

##### （1）金融资产的分类、确认和计量

本集团根据管理金融资产的业务模式和金融资产的合同现金流量特征，将金融资产划分为：以摊余成本计量的金融资产；以公允价值计量且其变动计入其他综合收益的金融资产；以公允价值计量且其变动计入当期损益的金融资产。

金融资产在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资



产，相关交易费用直接计入当期损益；对于其他类别的金融资产，相关交易费用计入初始确认金额。因销售产品或提供劳务而产生的、未包含或不考虑重大融资成分的应收账款或应收票据，本集团按照预期有权收取的对价金额作为初始确认金额。

#### ①以摊余成本计量的金融资产

本集团管理以摊余成本计量的金融资产的业务模式为以收取合同现金流量为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致，即在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。本集团对于此类金融资产，采用实际利率法，按照摊余成本进行后续计量，其摊销或减值产生的利得或损失，计入当期损益。

#### ②以公允价值计量且其变动计入其他综合收益的金融资产

本集团管理此类金融资产的业务模式为既以收取合同现金流量为目标又以出售为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致。本集团对此类金融资产按照公允价值计量且其变动计入其他综合收益，但减值损失或利得、汇兑损益和按照实际利率法计算的利息收入计入当期损益。

此外，本集团将部分非交易性权益工具投资指定为以公允价值计量且其变动计入其他综合收益的金融资产。本集团将该类金融资产的相关股利收入计入当期损益，公允价值变动计入其他综合收益。当该金融资产终止确认时，之前计入其他综合收益的累计利得或损失将从其他综合收益转入留存收益，不计入当期损益。

#### ③以公允价值计量且其变动计入当期损益的金融资产

本集团将上述以摊余成本计量的金融资产和以公允价值计量且其变动计入其他综合收益的金融资产之外的金融资产，分类为以公允价值计量且其变动计入当期损益的金融资产。此外，在初始确认时，本集团为了消除或显著减少会计错配，将部分金融资产指定为以公允价值计量且其变动计入当期损益的金融资产。对于此类金融资产，本集团采用公允价值进行后续计量，公允价值变动计入当期损益。

### (2) 金融负债的分类、确认和计量

金融负债于初始确认时分类为以公允价值计量且其变动计入当期损益的金融负债和其他金融负债。对于以公允价值计量且其变动计入当期损益的金融负债，相关交易费用直接计入当期损益，其他金融负债的相关交易费用计入其初始确认金额。

#### ①以公允价值计量且其变动计入当期损益的金融负债

以公允价值计量且其变动计入当期损益的金融负债，包括交易性金融负债（含属于金融负债的衍生工具）和初始确认时指定为以公允价值计量且其变动计入当期损益的金融负债。



交易性金融负债（含属于金融负债的衍生工具），按照公允价值进行后续计量，除与套期会计有关外，公允价值变动计入当期损益。

被指定为以公允价值计量且其变动计入当期损益的金融负债，该负债由本集团自身信用风险变动引起的公允价值变动计入其他综合收益，且终止确认该负债时，计入其他综合收益的自身信用风险变动引起的其公允价值累计变动额转入留存收益。其余公允价值变动计入当期损益。若按上述方式对该等金融负债的自身信用风险变动的影响进行处理会造成或扩大损益中的会计错配的，本集团将该金融负债的全部利得或损失（包括企业自身信用风险变动的影响金额）计入当期损益。

#### ②其他金融负债

除金融资产转移不符合终止确认条件或继续涉入被转移金融资产所形成的金融负债、财务担保合同外的其他金融负债分类为以摊余成本计量的金融负债，按摊余成本进行后续计量，终止确认或摊销产生的利得或损失计入当期损益。

#### （3）金融资产转移的确认依据和计量方法

满足下列条件之一的金融资产，予以终止确认：①收取该金融资产现金流量的合同权利终止；②该金融资产已转移，且将金融资产所有权上几乎所有的风险和报酬转移给转入方；③该金融资产已转移，虽然企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产的控制。

若企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且未放弃对该金融资产的控制的，则按照继续涉入所转移金融资产的程度确认有关金融资产，并相应确认有关负债。继续涉入所转移金融资产的程度，是指该金融资产价值变动使企业面临的风险水平。

金融资产整体转移满足终止确认条件的，将所转移金融资产的账面价值及因转移而收到的对价与原计入其他综合收益的公允价值变动累计额之和的差额计入当期损益。

金融资产部分转移满足终止确认条件的，将所转移金融资产的账面价值在终止确认及未终止确认部分之间按其相对的公允价值进行分摊，并将因转移而收到的对价与应分摊至终止确认部分的原计入其他综合收益的公允价值变动累计额之和与分摊的前述账面金额之差额计入当期损益。

本集团对采用附追索权方式出售的金融资产，或将持有的金融资产背书转让，需确定该金融资产所有权上几乎所有的风险和报酬是否已经转移。已将该金融资产所有权上几乎所有的风险和报酬转移给转入方的，终止确认该金融资产；保留了金融资产所有权上几乎所有的风险和报酬的，不终止确认该金融资产；既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬的，则继续判断企业是否对该资产保留了控制，并根据前面各段所述的原则进行会计处理。

#### （4）金融负债的终止确认

金融负债（或其一部分）的现时义务已经解除的，本集团终止确认该金融负债（或该部分金融负债）。本集团（借入方）与借出方签订协议，以承担新金融负债的方式替换原金融负债，且新金融负债与原金融负债的合同条款实质上不同的，终止确认原金融负债，同时确认一项新金融负债。本集团对原金融负债（或其一部分）的合同条款作出实质性修改的，终止确认原金融负债，同时按照修改后的条款确认一项新金融负债。

金融负债（或其一部分）终止确认的，本集团将其账面价值与支付的对价（包括转出的非现金资产或承担的负债）之间的差额，计入当期损益。

#### （5）金融资产和金融负债的抵销

当本集团具有抵销已确认金额的金融资产和金融负债的法定权利，且该种法定权利是当前可执行的，同时本集团计划以净额结算或同时变现该金融资产和清偿该金融负债时，金融资产和金融负债以相互抵销后的净额在资产负债表内列示。除此以外，金融资产和金融负债在资产负债表内分别列示，不予相互抵销。

#### （6）金融资产和金融负债的公允价值确定方法

公允价值，是指市场参与者在计量日发生的有序交易中，出售一项资产所能收到或者转移一项负债所需支付的价格。金融工具存在活跃市场的，本集团采用活跃市场中的报价确定其公允价值。活跃市场中的报价是指易于定期从交易所、经纪商、行业协会、定价服务机构等获得的价格，且代表了在公平交易中实际发生的市场交易的价格。金融工具不存在活跃市场的，本集团采用估值技术确定其公允价值。估值技术包括参考熟悉情况并自愿交易的各方最近进行的市场交易中使用的价格、参照实质上相同的其他金融工具当前的公允价值、现金流量折现法和期权定价模型等。在估值时，本集团采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术，选择与市场参与者在相关资产或负债的交易中所考虑的资产或负债特征相一致的输入值，并尽可能优先使用相关可观察输入值。在相关可观察输入值无法取得或取得不切实可行的情况下，使用不可输入值。

#### （7）权益工具

权益工具是指能证明拥有本集团在扣除所有负债后的资产中的剩余权益的合同。本集团发行（含再融资）、回购、出售或注销权益工具作为权益的变动处理，与权益性交易相关的交易费用从权益中扣减。本集团不确认权益工具的公允价值变动。

本集团权益工具在存续期间分派股利（含分类为权益工具的工具所产生的“利息”）的，作为利润分配处理。

### 8、金融资产减值

本集团需确认减值损失的金融资产系以摊余成本计量的金融资产、以公允价值计量且其变动计

入其他综合收益的债务工具、租赁应收款，主要包括应收票据、应收账款、应收款项融资、其他应收款、债权投资、其他债权投资、长期应收款等。此外，对合同资产及部分财务担保合同，也按照本部分所述会计政策计提减值准备和确认信用减值损失。

#### （1）减值准备的确认方法

本集团以预期信用损失为基础，对上述各项目按照其适用的预期信用损失计量方法（一般方法或简化方法）计提减值准备并确认信用减值损失。

信用损失，是指本集团按照原实际利率折现的、根据合同应收的所有合同现金流量与预期收取的所有现金流量之间的差额，即全部现金短缺的现值。其中，对于购买或源生的已发生信用减值的金融资产，本集团按照该金融资产经信用调整的实际利率折现。

预期信用损失计量的一般方法是指，本集团在每个资产负债表日评估金融资产（含合同资产等其他适用项目，下同）的信用风险自初始确认后是否已经显著增加，如果信用风险自初始确认后已显著增加，本集团按照相当于整个存续期内预期信用损失的金额计量损失准备；如果信用风险自初始确认后未显著增加，本集团按照相当于未来 12 个月内预期信用损失的金额计量损失准备。本集团在评估预期信用损失时，考虑所有合理且有依据的信息，包括前瞻性信息。

对于在资产负债表日具有较低信用风险的金融工具，本集团假设其信用风险自初始确认后并未显著增加，选择按照未来 12 个月内的预期信用损失计量损失准备。

#### （2）信用风险自初始确认后是否显著增加的判断标准

如果某项金融资产在资产负债表日确定的预计存续期内的违约概率显著高于在初始确认时确定的预计存续期内的违约概率，则表明该项金融资产的信用风险显著增加。除特殊情况外，本集团采用未来 12 个月内发生的违约风险的变化作为整个存续期内发生违约风险变化的合理估计，来确定自初始确认后信用风险是否显著增加。

#### （3）以组合为基础评估预期信用风险的组合方法

本集团对信用风险显著不同的金融资产单项评价信用风险，如：与对方存在争议或涉及诉讼、仲裁的应收款项；已有明显迹象表明债务人很可能无法履行还款义务的应收款项等。

除了单项评估信用风险的金融资产外，本集团基于共同风险特征将金融资产划分为不同的组别，在组合的基础上评估信用风险。

#### （4）金融资产减值的会计处理方法

期末，本集团计算各类金融资产的预计信用损失，如果该预计信用损失大于其当前减值准备的账面金额，将其差额确认为减值损失；如果小于当前减值准备的账面金额，则将差额确认为减值利得。

## (5) 各类金融资产信用损失的确定方法

## ①应收账款

对于不含重大融资成分的应收账款和合同资产，本集团按照相当于整个存续期内的预期信用损失金额计量损失准备。

对于包含重大融资成分的应收账款、合同资产和租赁应收款，本集团选择始终按照相当于存续期内预期信用损失的金额计量损失准备。

除了单项评估信用风险的应收账款外，基于其信用风险特征，将其划分为不同组合：

项 目	确定组合的依据
应收账款：	
组合 1	本组合为非关联方的应收款项。
组合 2	本组合为政府单位、巴南区国资委下属企业的应收款项。

## ②其他应收款

本集团依据其他应收款信用风险自初始确认后是否已经显著增加，采用相当于未来 12 个月内、或整个存续期的预期信用损失的金额计量减值损失。除了单项评估信用风险的其他应收款外，基于其信用风险特征，将其划分为不同组合：

项 目	确定组合的依据
组合 1	本组合为非关联方的应收款项。
组合 2	本组合为政府单位、巴南区国资委下属企业、保证金。
组合 3	本组合为关联方的应收款项、融资租赁保证金、职工备用金、代垫款项、资金拆借账户等。

## 9、存货

## (1) 存货的分类

存货主要包括原材料、库存商品、周转材料、消耗性生物资产、开发产品和开发成本。

## (2) 存货取得和发出的计价方法

存货在取得时按实际成本计价，存货成本包括采购成本、加工成本和其他成本。领用和发出时按先进先出法计价。

## (3) 存货可变现净值的确认和跌价准备的计提方法

可变现净值是指在日常活动中，存货的估计售价减去至完工时估计将要发生的成本、估计的销售费用以及相关税费后的金额。在确定存货的可变现净值时，以取得的确凿证据为基础，同时考虑持有存货的目的以及资产负债表日后事项的影响。

在资产负债表日，存货按照成本与可变现净值孰低计量。当其可变现净值低于成本时，提取存货跌价准备。存货跌价准备通常按单个存货项目的成本高于其可变现净值的差额提取。对于数量繁



多、单价较低的存货，按存货类别计提存货跌价准备；对在同一地区生产和销售的产品系列相关、具有相同或类似最终用途或目的，且难以与其他项目分开计量的存货，可合并计提存货跌价准备。

计提存货跌价准备后，如果以前减记存货价值的影响因素已经消失，导致存货的可变现净值高于其账面价值的，在原已计提的存货跌价准备金额内予以转回，转回的金额计入当期损益。

(4) 存货的盘存制度为永续盘存制。

(5) 低值易耗品和包装物的摊销方法

低值易耗品、包装物于领用时按一次摊销法摊销。

## 10、长期股权投资

本部分所指的长期股权投资是指本集团对被投资单位具有控制、共同控制或重大影响的长期股权投资。本集团对被投资单位不具有控制、共同控制或重大影响的长期股权投资，作为可供出售金融资产或以公允价值计量且其变动计入当期损益的金融资产核算，其会计政策详见附注四、7“金融工具”。

共同控制，是指本集团按照相关约定对某项安排所共有的控制，并且该安排的相关活动必须经过分享控制权的参与方一致同意后才能决策。重大影响，是指本集团对被投资单位的财务和经营政策有参与决策的权力，但并不能够控制或者与其他方一起共同控制这些政策的制定。

### (1) 投资成本的确定

对于同一控制下的企业合并取得的长期股权投资，在合并日按照被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本。长期股权投资初始投资成本与支付的现金、转让的非现金资产以及所承担债务账面价值之间的差额，调整资本公积；资本公积不足冲减的，调整留存收益。以发行权益性证券作为合并对价的，在合并日按照被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本，按照发行股份的面值总额作为股本，长期股权投资初始投资成本与所发行股份面值总额之间的差额，调整资本公积；资本公积不足冲减的，调整留存收益。通过多次交易分步取得同一控制下被合并方的股权，最终形成同一控制下企业合并的，应分别是否属于“一揽子交易”进行处理：属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，在合并日按照应享有被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本，长期股权投资初始投资成本与达到合并前的长期股权投资账面价值加上合并日进一步取得股份新支付对价的账面价值之和的差额，调整资本公积；资本公积不足冲减的，调整留存收益。合并日之前持有的股权投资因采用权益法核算或作为以公允价值计量且其变动计入其他综合收益的金融资产而确认的其他综合收益，暂不进行会计处理。



对于非同一控制下的企业合并取得的长期股权投资，在购买日按照合并成本作为长期股权投资的初始投资成本，合并成本包括包括购买方付出的资产、发生或承担的负债、发行的权益性证券的公允价值之和。通过多次交易分步取得被购买方的股权，最终形成非同一控制下的企业合并的，应分别是否属于“一揽子交易”进行处理：属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，按照原持有被购买方的股权投资账面价值加上新增投资成本之和，作为改按成本法核算的长期股权投资的初始投资成本。原持有的股权采用权益法核算的，相关其他综合收益暂不进行会计处理。

合并方或购买方为企业合并发生的审计、法律服务、评估咨询等中介费用以及其他相关管理费用，于发生时计入当期损益。

除企业合并形成的长期股权投资外的其他股权投资，按成本进行初始计量，该成本视长期股权投资取得方式的不同，分别按照本集团实际支付的现金购买价款、本集团发行的权益性证券的公允价值、投资合同或协议约定的价值、非货币性资产交换交易中换出资产的公允价值或原账面价值、该项长期股权投资自身的公允价值等方式确定。与取得长期股权投资直接相关的费用、税金及其他必要支出也计入投资成本。对于因追加投资能够对被投资单位实施重大影响或实施共同控制但不构成控制的，长期股权投资成本为按照《企业会计准则第 22 号——金融工具确认和计量》确定的原持有股权投资的公允价值加上新增投资成本之和。

## （2）后续计量及损益确认方法

对被投资单位具有共同控制（构成共同经营者除外）或重大影响的长期股权投资，采用权益法核算。此外，公司财务报表采用成本法核算能够对被投资单位实施控制的长期股权投资。

### ①成本法核算的长期股权投资

采用成本法核算时，长期股权投资按初始投资成本计价，追加或收回投资调整长期股权投资的成本。除取得投资时实际支付的价款或者对价中包含的已宣告但尚未发放的现金股利或者利润外，当期投资收益按照享有被投资单位宣告发放的现金股利或利润确认。

### ②权益法核算的长期股权投资

采用权益法核算时，长期股权投资的初始投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的，不调整长期股权投资的初始投资成本；初始投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的，其差额计入当期损益，同时调整长期股权投资的成本。

采用权益法核算时，按照应享有或应分担的被投资单位实现的净损益和其他综合收益的份额，分别确认投资收益和其他综合收益，同时调整长期股权投资的账面价值；按照被投资单位宣告分派的利润或现金股利计算应享有的部分，相应减少长期股权投资的账面价值；对于被投资单位除净损

益、其他综合收益和利润分配以外所有者权益的其他变动，调整长期股权投资的账面价值并计入资本公积。在确认应享有被投资单位净损益的份额时，以取得投资时被投资单位各项可辨认资产等的公允价值为基础，对被投资单位的净利润进行调整后确认。被投资单位采用的会计政策及会计期间与本集团不一致的，按照本集团的会计政策及会计期间对被投资单位的财务报表进行调整，并据以确认投资收益和其他综合收益。对于本集团与联营企业及合营企业之间发生的交易，投出或出售的资产不构成业务的，未实现内部交易损益按照享有的比例计算归属于本集团的部分予以抵销，在此基础上确认投资损益。但本集团与被投资单位发生的未实现内部交易损失，属于所转让资产减值损失的，不予以抵销。本集团向合营企业或联营企业投出的资产构成业务的，投资方因此取得长期股权投资但未取得控制权的，以投出业务的公允价值作为新增长期股权投资的初始投资成本，初始投资成本与投出业务的账面价值之差，全额计入当期损益。本集团向合营企业或联营企业出售的资产构成业务的，取得的对价与业务的账面价值之差，全额计入当期损益。本集团自联营企业及合营企业购入的资产构成业务的，按《企业会计准则第 20 号——企业合并》的规定进行会计处理，全额确认与交易相关的利得或损失。

在确认应分担被投资单位发生的净亏损时，以长期股权投资的账面价值和其他实质上构成对被投资单位净投资的长期权益减记至零为限。此外，如本集团对被投资单位负有承担额外损失的义务，则按预计承担的义务确认预计负债，计入当期投资损失。被投资单位以后期间实现净利润的，本集团在收益分享额弥补未确认的亏损分担额后，恢复确认收益分享额。

#### ③收购少数股权

在编制合并财务报表时，因购买少数股权新增的长期股权投资与按照新增持股比例计算应享有子公司自购买日（或合并日）开始持续计算的净资产份额之间的差额，调整资本公积，资本公积不足冲减的，调整留存收益。

#### ④处置长期股权投资

在合并财务报表中，母公司在不丧失控制权的情况下部分处置对子公司的长期股权投资，处置价款与处置长期股权投资相对应享有子公司净资产的差额计入股东权益；母公司部分处置对子公司的长期股权投资导致丧失对子公司控制权的，按本附注四、5、“合并财务报表编制的方法”（2）中所述的相关会计政策处理。

其他情形下的长期股权投资处置，对于处置的股权，其账面价值与实际取得价款的差额，计入当期损益。

采用权益法核算的长期股权投资，处置后的剩余股权仍采用权益法核算的，在处置时将原计入所有者权益的其他综合收益部分按相应的比例采用与被投资单位直接处置相关资产或负债相同的基

础进行会计处理。因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，按比例结转入当期损益。

采用成本法核算的长期股权投资，处置后剩余股权仍采用成本法核算的，其在取得对被投资单位的控制之前因采用权益法核算或金融工具确认和计量准则核算而确认的其他综合收益，采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，并按比例结转当期损益；因采用权益法核算而确认的被投资单位净资产中除净损益、其他综合收益和利润分配以外的其他所有者权益变动按比例结转当期损益。

本集团因处置部分股权投资丧失了对被投资单位的控制的，在编制个别财务报表时，处置后的剩余股权能够对被投资单位实施共同控制或施加重大影响的，改按权益法核算，并对该剩余股权视同自取得时即采用权益法核算进行调整；处置后的剩余股权不能对被投资单位实施共同控制或施加重大影响的，改按金融工具确认和计量准则的有关规定进行会计处理，其在丧失控制之日的公允价值与账面价值之间的差额计入当期损益。对于本集团取得对被投资单位的控制之前，因采用权益法核算或金融工具确认和计量准则核算而确认的其他综合收益，在丧失对被投资单位控制时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，因采用权益法核算而确认的被投资单位净资产中除净损益、其他综合收益和利润分配以外的其他所有者权益变动在丧失对被投资单位控制时结转入当期损益。其中，处置后的剩余股权采用权益法核算的，其他综合收益和其他所有者权益按比例结转；处置后的剩余股权改按金融工具确认和计量准则进行会计处理的，其他综合收益和其他所有者权益全部结转。

本集团因处置部分股权投资丧失了对被投资单位的共同控制或重大影响的，处置后的剩余股权改按金融工具确认和计量准则核算，其在丧失共同控制或重大影响之日的公允价值与账面价值之间的差额计入当期损益。原股权投资因采用权益法核算而确认的其他综合收益，在终止采用权益法核算时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，在终止采用权益法时全部转入当期投资收益。

本集团通过多次交易分步处置对子公司股权投资直至丧失控制权，如果上述交易属于一揽子交易的，将各项交易作为一项处置子公司股权投资并丧失控制权的交易进行会计处理，在丧失控制权之前每一次处置价款与所处置的股权对应的长期股权投资账面价值之间的差额，先确认为其他综合收益，到丧失控制权时再一并转入丧失控制权的当期损益。

#### 11、投资性房地产

投资性房地产是指为赚取租金或资本增值，或两者兼有而持有的房地产，包括已出租的土地使

用权、持有并准备增值后转让的土地使用权、已出租的建筑物等。

投资性房地产按成本进行初始计量。与投资性房地产有关的后续支出，如果与该资产有关的经济利益很可能流入且其成本能可靠地计量，则计入投资性房地产成本。其他后续支出，在发生时计入当期损益。

本集团采用公允价值模式进行后续计量的投资性房地产，会计政策选择的依据为：

①投资性房地产所在地有活跃的房地产交易市场。

②本集团能够从房地产交易市场上取得同类或类似房地产的市场价格及其他相关信息，从而对投资性房地产的公允价值作出合理的估计。

本集团不对投资性房地产计提折旧或进行摊销，在资产负债表日以投资性房地产的公允价值为基础调整其账面价值，公允价值与原账面价值之间的差额计入当期损益。

确定投资性房地产的公允价值时，参照活跃市场上同类或类似房地产的现行市场价格；无法取得同类或类似房地产的现行市场价格的，参照活跃市场上同类或类似房地产的最近交易价格，并考虑交易情况、交易日期、所在区域等因素，从而对投资性房地产的公允价值作出合理的估计；或基于预计未来获得的租金收益和有关现金流量的现值确定其公允价值。

自用房地产或存货转换为投资性房地产时，按照转换当日的公允价值计价，转换当日的公允价值小于原账面价值的，其差额计入当期损益；转换当日的公允价值大于原账面价值的，其差额确认为其他综合收益。投资性房地产转换为自用房地产时，以转换当日的公允价值作为自用房地产的账面价值，公允价值与原账面价值的差额计入当期损益。

投资性房地产的用途改变为自用时，自改变之日起，将该投资性房地产转换为固定资产或无形资产。自用房地产的用途改变为赚取租金或资本增值时，自改变之日起，将固定资产或无形资产转换为投资性房地产。发生转换时，转换为采用成本模式计量的投资性房地产的，以转换前的账面价值作为转换后的入账价值；转换为以公允价值模式计量的投资性房地产的，以转换日的公允价值作为转换后的入账价值。

当投资性房地产被处置、或者永久退出使用且预计不能从其处置中取得经济利益时，终止确认该项投资性房地产。投资性房地产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后计入当期损益。

## 12、固定资产

### （1）固定资产确认条件

固定资产是指为生产商品、提供劳务、出租或经营管理而持有的，使用寿命超过一个会计年度的有形资产。固定资产仅在与其有关的经济利益很可能流入本集团，且其成本能够可靠地计量时才

予以确认。固定资产按成本并考虑预计弃置费用因素的影响进行初始计量。

## (2) 各类固定资产的折旧方法

固定资产从达到预定可使用状态的次月起,采用年限平均法在使用寿命内计提折旧。各类固定资产的使用寿命、预计净残值和年折旧率如下:

类别	折旧年限(年)	残值率(%)	年折旧率(%)
房屋及建筑物	10-30	3.00-5.00	3.23-9.70
运输工具	3-8	3.00-5.00	12.13-32.33
管道管网	10-30	3.00-5.00	3.23-9.70
电子设备及其他	3-10	3.00-5.00	9.70-32.33

预计净残值是指假定固定资产预计使用寿命已满并处于使用寿命终了时的预期状态,本集团目前从该项资产处置中获得的扣除预计处置费用后的金额。

## (3) 固定资产的减值测试方法及减值准备计提方法

固定资产的减值测试方法和减值准备计提方法详见附注四、17“长期资产减值”。

## (4) 融资租入固定资产的认定依据及计价方法

融资租赁为实质上转移了与资产所有权有关的全部风险和报酬的租赁,其所有权最终可能转移,也可能不转移。以融资租赁方式租入的固定资产采用与自有固定资产一致的政策计提租赁资产折旧。能够合理确定租赁期届满时取得租赁资产所有权的在租赁资产使用寿命内计提折旧,无法合理确定租赁期届满能够取得租赁资产所有权的,在租赁期与租赁资产使用寿命两者中较短的期间内计提折旧。

## (5) 其他说明

与固定资产有关的后续支出,如果与该固定资产有关的经济利益很可能流入且其成本能可靠地计量,则计入固定资产成本,并终止确认被替换部分的账面价值。除此以外的其他后续支出,在发生时计入当期损益。

当固定资产处于处置状态或预期通过使用或处置不能产生经济利益时,终止确认该固定资产。固定资产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的差额计入当期损益。

本集团至少于年度终了对固定资产的使用寿命、预计净残值和折旧方法进行复核,如发生改变则作为会计估计变更处理。

## 13、在建工程

在建工程成本按实际工程支出确定,包括在建期间发生的各项工程支出、工程达到预定可使用状态前的资本化的借款费用以及其他相关费用等。在建工程在达到预定可使用状态后结转为固定资产。



在建工程的减值测试方法和减值准备计提方法详见附注四、17“长期资产减值”。

#### 14、借款费用

借款费用包括借款利息、折价或溢价的摊销、辅助费用以及因外币借款而发生的汇兑差额等。可直接归属于符合资本化条件的资产的购建或者生产的借款费用，在资产支出已经发生、借款费用已经发生、为使资产达到预定可使用或可销售状态所必要的购建或生产活动已经开始时，开始资本化；构建或者生产的符合资本化条件的资产达到预定可使用状态或者可销售状态时，停止资本化。其余借款费用在发生当期确认为费用。

专门借款当期实际发生的利息费用，减去尚未动用的借款资金存入银行取得的利息收入或进行暂时性投资取得的投资收益后的金额予以资本化；一般借款根据累计资产支出超过专门借款部分的资产支出加权平均数乘以所占用一般借款的资本化率，确定资本化金额。资本化率根据一般借款的加权平均利率计算确定。

资本化期间内，外币专门借款的汇兑差额全部予以资本化；外币一般借款的汇兑差额计入当期损益。

符合资本化条件的资产指需要经过相当长时间的购建或者生产活动才能达到预定可使用或可销售状态的固定资产、投资性房地产和存货等资产。

如果符合资本化条件的资产在购建或生产过程中发生非正常中断，并且中断时间连续超过 3 个月的，暂停借款费用的资本化，直至资产的购建或生产活动重新开始。

#### 15、无形资产

##### (1) 无形资产

无形资产是指本集团拥有或者控制的没有实物形态的可辨认非货币性资产。

无形资产按成本进行初始计量。与无形资产有关的支出，如果相关的经济利益很可能流入本集团且其成本能可靠地计量，则计入无形资产成本。除此以外的其他项目的支出，在发生时计入当期损益。

取得的土地使用权通常作为无形资产核算。自行开发建造厂房等建筑物，相关的土地使用权支出和建筑物建造成本则分别作为无形资产和固定资产核算。如为外购的房屋及建筑物，则将有关价款在土地使用权和建筑物之间进行分配，难以合理分配的，全部作为固定资产处理。

使用寿命有限的无形资产自可供使用时起，对其原值减去预计净残值和已计提的减值准备累计金额在其预计使用寿命内采用直线法分期平均摊销。使用寿命不确定的无形资产不予摊销。

期末，对使用寿命有限的无形资产的使用寿命和摊销方法进行复核，如发生变更则作为会计估计变更处理。此外，还对使用寿命不确定的无形资产的使用寿命进行复核，如果有证据表明该无形

资产为企业带来经济利益的期限是可预见的，则估计其使用寿命并按照使用寿命有限的无形资产的摊销政策进行摊销。

## （2）研究与开发支出

本集团内部研究开发项目的支出分为研究阶段支出与开发阶段支出。

研究阶段的支出，于发生时计入当期损益。

开发阶段的支出同时满足下列条件的，确认为无形资产，不能满足下述条件的开发阶段的支出计入当期损益：

- ①完成该无形资产以使其能够使用或出售在技术上具有可行性；
- ②具有完成该无形资产并使用或出售的意图；
- ③无形资产产生经济利益的方式，包括能够证明运用该无形资产生产的产品存在市场或无形资产自身存在市场，无形资产将在内部使用的，能够证明其有用性；
- ④有足够的技术、财务资源和其他资源支持，以完成该无形资产的开发，并有能力使用或出售该无形资产；
- ⑤归属于该无形资产开发阶段的支出能够可靠地计量。

无法区分研究阶段支出和开发阶段支出的，将发生的研发支出全部计入当期损益。

## （3）无形资产的减值测试方法及减值准备计提方法

无形资产的减值测试方法和减值准备计提方法详见附注四、17“长期资产减值”。

## 16、长期待摊费用

长期待摊费用为已经发生但应由报告期和以后各期负担的分摊期限在一年以上的各项费用。本集团的长期待摊费用主要为装修款。长期待摊费用在预计受益期间按直线法摊销。

## 17、长期资产减值

对于固定资产、在建工程、使用寿命有限的无形资产、以公允价值计量的投资性房地产及对子公司、合营企业、联营企业的长期股权投资等非流动非金融资产，本集团于资产负债表日判断是否存在减值迹象。如存在减值迹象的，则估计其可收回金额，进行减值测试。商誉、使用寿命不确定的无形资产和尚未达到可使用状态的无形资产，无论是否存在减值迹象，每年均进行减值测试。

减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产的公允价值根据公平交易中销售协议价格确定；不存在销售协议但存在资产活跃市场的，公允价值按照该资产的买方出价确定；不存在销售协议和资产活跃市场的，则以可获取的最佳信息为基础估计资产的公允价值。处置费用包括与资产处置有关的法律费用、相关税费、搬运费

以及为使资产达到可销售状态所发生的直接费用。资产预计未来现金流量的现值，按照资产在持续使用过程中和最终处置时所产生的预计未来现金流量，选择恰当的折现率对其进行折现后的金额加以确定。资产减值准备按单项资产为基础计算并确认，如果难以对单项资产的可收回金额进行估计的，以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

在财务报表中单独列示的商誉，在进行减值测试时，将商誉的账面价值分摊至预期从企业合并的协同效应中受益的资产组或资产组组合。测试结果表明包含分摊的商誉的资产组或资产组组合的可收回金额低于其账面价值的，确认相应的减值损失。减值损失金额先抵减分摊至该资产组或资产组组合的商誉的账面价值，再根据资产组或资产组组合中除商誉以外的其他各项资产的账面价值所占比重，按比例抵减其他各项资产的账面价值。

上述资产减值损失一经确认，以后期间不予转回价值得以恢复的部分。

### 18、合同负债

合同负债，是指本集团已收或应收客户对价而应向客户转让商品的义务。如果在本集团向客户转让商品之前，客户已经支付了合同对价或本集团已经取得了无条件收款权，本集团在客户实际支付款项和到期应支付款项孰早时点，将该已收或应收款项列示为合同负债。同一合同下的合同资产和合同负债以净额列示，不同合同下的合同资产和合同负债不予抵销。

### 19、职工薪酬

本集团职工薪酬主要包括短期职工薪酬、离职后福利、辞退福利。其中：

短期薪酬主要包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、生育保险费、工伤保险费、住房公积金、工会经费和职工教育经费、非货币性福利等。本集团在职工为本集团提供服务的会计期间将实际发生的短期职工薪酬确认为负债，并计入当期损益或相关资产成本。其中非货币性福利按公允价值计量。

离职后福利主要包括设定提存计划。其中设定提存计划主要包括基本养老保险、失业保险以及年金等，相应的应缴存金额于发生时计入相关资产成本或当期损益。本集团尚未运作设定受益计划或符合设定受益计划条件的其他长期职工福利。

在职工劳动合同到期之前解除与职工的劳动关系，或为鼓励职工自愿接受裁减而提出给予补偿的建议，在本集团不能单方面撤回因解除劳动关系计划或裁减建议所提供的辞退福利时，和本集团确认与涉及支付辞退福利的重组相关的成本两者孰早日，确认辞退福利产生的职工薪酬负债，并计入当期损益。

职工内部退休计划采用上述辞退福利相同的原则处理。本集团将自职工停止提供服务日至正常

退休日的期间拟支付的内退人员工资和缴纳的社会保险费等，在符合预计负债确认条件时，计入当期损益（辞退福利）。

## 20、收入

收入，是本集团在日常活动中形成的、会导致股东权益增加的、与股东投入资本无关的经济利益的总流入。本集团与客户之间的合同同时满足下列条件时，在客户取得相关商品（含劳务，下同）控制权时确认收入：合同各方已批准该合同并承诺将履行各自义务；合同明确了合同各方与所转让商品或提供劳务相关的权利和义务；合同有明确的与所转让商品相关的支付条款；合同具有商业实质，即履行该合同将改变本集团未来现金流量的风险、时间分布或金额；本集团因向客户转让商品而有权取得的对价很可能收回。其中，取得相关商品控制权，是指能够主导该商品的使用并从中获得几乎全部的经济利益。

在合同开始日，本集团识别合同中存在的各单项履约义务，并将交易价格按照各单项履约义务所承诺商品的单独售价的相对比例分摊至各单项履约义务。在确定交易价格时考虑了可变对价、合同中存在的重大融资成分、非现金对价、应付客户对价等因素的影响。

对于合同中的每个单项履约义务，如果满足下列条件之一的，本集团在相关履约时段内按照履约进度将分摊至该单项履约义务的交易价格确认为收入：客户在本集团履约的同时即取得并消耗本集团履约所带来的经济利益；客户能够控制本集团履约过程中在建的商品；本集团履约过程中所产出的商品具有不可替代用途，且本集团在整个合同期间内有权就累计至今已完成的履约部分收取款项。履约进度根据所转让商品的性质采用投入法或产出法确定，当履约进度不能合理确定时，本集团已经发生的成本预计能够得到补偿的，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

如果不满足上述条件之一，则本集团在客户取得相关商品控制权的时点按照分摊至该单项履约义务的交易价格确认收入。在判断客户是否已取得商品控制权时，本集团考虑下列迹象：企业就该商品享有现时收款权利，即客户就该商品负有现时付款义务；企业已将该商品的法定所有权转移给客户，即客户已拥有该商品的法定所有权；企业已将该商品实物转移给客户，即客户已实物占有该商品；企业已将该商品所有权上的主要风险和报酬转移给客户，即客户已取得该商品所有权上的主要风险和报酬；客户已接受该商品；其他表明客户已取得商品控制权的迹象。

本公司收入主要为土地整治收入、工程代建收入、让渡资产使用权收入和供水业务收入、保安服务收入。

### ①土地整治收入

本公司土地整治收入，在土地经整治完成并达到五通一平条件后，将土地、土地使用权移交给

巴南区政府部门，移交后政府部门能控制该土地，在土地移交政府部门后，确认土地控制权的转移，根据双方认可的结算资料确认金额。

②让渡资产使用权收入

本公司及子公司出租房产，根据与客户签订的租赁合同按客户已享受的受益期确认收入。

③工程代建收入

本集团工程代建收入，在工程实施完毕后，政府采用标段对完工工程进行回购，工程移交政府部分后，根据双方认可的结算资料确认金额。

④供水业务收入

本集团供水业务通常仅包括转让商品的履约义务，客户使用自来水后，商品的控制权转移，本集团在该时点确认收入实现。

⑤保安服务收入

根据与被服务单位签订服务合同，按履约进度确认收入。

21、政府补助

政府补助是指本集团从政府无偿取得货币性资产和非货币性资产，不包括政府以投资者身份并享有相应所有者权益而投入的资本。政府补助分为与资产相关的政府补助和与收益相关的政府补助。与资产相关的政府补助，是指本集团取得的、用于购建或以其他方式形成长期资产的政府补助。与收益相关的政府补助，是指除与资产相关的政府补助之外的政府补助。如果政府补助文件未明确确定补助对象，以取得该补助必须具备的基本条件为基础进行判断，以购建或其他方式形成长期资产为基本条件的作为与资产相关的政府补助，除此之外的划分为与收益相关的政府补助。

政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能够可靠取得的，按照名义金额计量。按照名义金额计量的政府补助，直接计入当期损益。

本集团对于政府补助通常在实际收到时，按照实收金额予以确认和计量。但对于期末有确凿证据表明能够符合财政扶持政策规定的相关条件预计能够收到财政扶持资金，按照应收的金额计量。按照应收金额计量的政府补助应同时符合以下条件：（1）应收补助款的金额已经过有权政府部门发文确认，或者可根据正式发布的财政资金管理办法的有关规定自行合理测算，且预计其金额不存在重大不确定性；（2）所依据的是当地财政部门正式发布并按照《政府信息公开条例》的规定予以主动公开的财政扶持项目及其财政资金管理办法，且该管理办法应当是普惠性的（任何符合规定条件的企业均可申请），而不是专门针对特定企业制定的；（3）相关的补助款批文中已明确承诺了拨付期限，且该款项的拨付是有相应财政预算作为保障的，因而可以合理保证其可在规定期限内收到。



与资产相关的政府补助，确认为递延收益，并在相关资产的使用寿命内按照合理、系统的方法分期计入当期损益；与收益相关的政府补助，用于补偿以后期间的相关成本费用或损失的，确认为递延收益，并在确认相关成本费用或损失的期间计入当期损益；用于补偿已经发生的相关成本费用或损失的，直接计入当期损益。

同时包含与资产相关部分和与收益相关部分的政府补助，区分不同部分分别进行会计处理；难以区分的，将其整体归类为与收益相关的政府补助。

与本集团日常活动相关的政府补助，按照经济业务的实质，计入其他收益或冲减相关成本费用；与日常活动无关的政府补助，计入营业外收支。

已确认的政府补助需要退回时，存在相关递延收益余额的，冲减相关递延收益账面余额，超出部分计入当期损益；属于其他情况的，直接计入当期损益。

## 22、递延所得税资产/递延所得税负债

### （1）当期所得税

资产负债表日，对于当期和以前期间形成的当期所得税负债（或资产），以按照税法规定计算的预期应交纳（或返还）的所得税金额计量。计算当期所得税费用所依据的应纳税所得额系根据有关税法规定对税前会计利润作相应调整后计算得出。

### （2）递延所得税资产及递延所得税负债

某些资产、负债项目的账面价值与其计税基础之间的差额，以及未作为资产和负债确认但按照税法规定可以确定其计税基础的项目的账面价值与计税基础之间的差额产生的暂时性差异，采用资产负债表债务法确认递延所得税资产及递延所得税负债。

与商誉的初始确认有关，以及与既不是企业合并、发生时也不影响会计利润和应纳税所得额（或可抵扣亏损）的交易中产生的资产或负债的初始确认有关的应纳税暂时性差异，不予确认有关的递延所得税负债。此外，对与子公司、联营企业及合营企业投资相关的应纳税暂时性差异，如果本集团能够控制暂时性差异转回的时间，而且该暂时性差异在可预见的未来很可能不会转回，也不予确认有关的递延所得税负债。除上述例外情况，本集团确认其他所有应纳税暂时性差异产生的递延所得税负债。

与既不是企业合并、发生时也不影响会计利润和应纳税所得额（或可抵扣亏损）的交易中产生的资产或负债的初始确认有关的可抵扣暂时性差异，不予确认有关的递延所得税资产。此外，对与子公司、联营企业及合营企业投资相关的可抵扣暂时性差异，如果暂时性差异在可预见的未来不是很可能转回，或者未来不是很可能获得用来抵扣可抵扣暂时性差异的应纳税所得额，不予确认有关的递延所得税资产。除上述例外情况，本集团以很可能取得用来抵扣可抵扣暂时性差异的应纳税所

得额为限，确认其他可抵扣暂时性差异产生的递延所得税资产。

对于能够结转以后年度的可抵扣亏损和税款抵减，以很可能获得用来抵扣可抵扣亏损和税款抵减的未来应纳税所得额为限，确认相应的递延所得税资产。

资产负债表日，对于递延所得税资产和递延所得税负债，根据税法规定，按照预期收回相关资产或清偿相关负债期间的适用税率计量。

于资产负债表日，对递延所得税资产的账面价值进行复核，如果未来很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产的利益，则减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额予以转回。

### （3）所得税费用

所得税费用包括当期所得税和递延所得税。

除确认为其他综合收益或直接计入所有者权益的交易和事项相关的当期所得税和递延所得税计入其他综合收益或所有者权益，以及企业合并产生的递延所得税调整商誉的账面价值外，其余当期所得税和递延所得税费用或收益计入当期损益。

### （4）所得税的抵销

当拥有以净额结算的法定权利，且意图以净额结算或取得资产、清偿负债同时进行，本集团当期所得税资产及当期所得税负债以抵销后的净额列报。

当拥有以净额结算当期所得税资产及当期所得税负债的法定权利，且递延所得税资产及递延所得税负债是与同一税收征管部门对同一纳税主体征收的所得税相关或者是对不同的纳税主体相关，但在未来每一具有重要性的递延所得税资产及负债转回的期间内，涉及的纳税主体意图以净额结算当期所得税资产和负债或是同时取得资产、清偿负债时，本集团递延所得税资产及递延所得税负债以抵销后的净额列报。

## 23、租赁

租赁是指本集团让渡或取得了在一定期间内控制一项或多项已识别资产使用的权利以换取或支付对价的合同。在合同开始日，本集团评估合同是否为租赁或包含租赁。

### （1）本集团作为承租人

#### ①初始计量

在租赁期开始日，本集团将可在租赁期内使用租赁资产的权利确认为使用权资产，将尚未支付的租赁付款额的现值确认为租赁负债（短期租赁和低价值资产租赁除外）。在计算租赁付款额的现值时，本集团采用租赁内含利率作为折现率；无法确定租赁内含利率的，采用承租人增量借款利率作为折现率。

## ②后续计量

本集团参照《企业会计准则第 4 号——固定资产》有关折旧规定对使用权资产计提折旧（详见本附注四、12 “固定资产”），能够合理确定租赁期届满时取得租赁资产所有权的，本集团在租赁资产剩余使用寿命内计提折旧。无法合理确定租赁期届满时能够取得租赁资产所有权的，本集团在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。

对于租赁负债，本集团按照固定的周期性利率计算其在租赁期内各期间的利息费用，计入当期损益。未纳入租赁负债计量的可变租赁付款额在实际发生时计入当期损益。

租赁期开始日后，当实质固定付款额发生变动、担保余值预计的应付金额发生变化、用于确定租赁付款额的指数或比率发生变动、购买选择权、续租选择权或终止选择权的评估结果或实际行权情况发生变化时，本集团按照变动后的租赁付款额的现值重新计量租赁负债，并相应调整使用权资产的账面价值，使用权资产账面价值已调减至零，但租赁负债仍需进一步调减的，本集团将剩余金额计入当期损益。

## ③短期租赁和低价值资产租赁

对于短期租赁（在租赁开始日租赁期不超过 12 个月的租赁）和低价值资产租赁，本集团采取简化处理方法，不确认使用权资产和租赁负债，而在租赁期内各个期间按照直线法或其他系统合理的方法将租赁付款额计入相关资产成本或当期损益。

本集团租赁资产的类别主要为房屋。本集团短期租赁和低价值资产租赁，本集团采取简化处理方法，不确认使用权资产和租赁负债，而在租赁期内各个期间按照直线法或其他系统合理的方法将租赁付款额计入相关资产成本或当期损益。

## （2）本集团作为出租人

本集团在租赁开始日，基于交易的实质，将租赁分为融资租赁和经营租赁。融资租赁是指实质上转移了与租赁资产所有权有关的几乎全部风险和报酬的租赁。经营租赁是指除融资租赁以外的其他租赁。

### ①经营租赁

本集团采用直线法将经营租赁的租赁收款额确认为租赁期内各期间的租金收入。与经营租赁有关的未计入租赁收款额的可变租赁付款额，于实际发生时计入当期损益。

## 24、重要会计政策、会计估计的变更

### （1）会计政策变更

#### ①执行新金融工具准则导致的会计政策变更

财政部于 2017 年 3 月 31 日分别发布了《企业会计准则第 22 号——金融工具确认和计量（2017

年修订)》(财会〔2017〕7号)、《企业会计准则第23号——金融资产转移(2017年修订)》(财会〔2017〕8号)、《企业会计准则第24号——套期会计(2017年修订)》(财会〔2017〕9号),于2017年5月2日发布了《企业会计准则第37号——金融工具列报(2017年修订)》(财会〔2017〕14号)(上述准则统称“新金融工具准则”),要求执行企业会计准则的非上市企业自2021年1月1日起执行新金融工具准则。

本集团于2021年1月1日起开始执行前述新金融工具准则。

在新金融工具准则下所有已确认金融资产,其后续均按摊余成本或公允价值计量。在新金融工具准则施行日,以本集团该日既有事实和情况为基础评估管理金融资产的业务模式、以金融资产初始确认时的事实和情况为基础评估该金融资产上的合同现金流量特征,将金融资产分为三类:按摊余成本计量、按公允价值计量且其变动计入其他综合收益及按公允价值计量且其变动计入当期损益。其中,对于按公允价值计量且其变动计入其他综合收益的权益工具投资,当该金融资产终止确认时,之前计入其他综合收益的累计利得或损失将从其他综合收益转入留存收益,不计入当期损益。

在新金融工具准则下,本集团以预期信用损失为基础,对以摊余成本计量的金融资产、以公允价值计量且其变动计入其他综合收益的债务工具、租赁应收款、合同资产及财务担保合同计提减值准备并确认信用减值损失。

本集团追溯应用新金融工具准则,但对于分类和计量(含减值)涉及前期比较财务报表数据与新金融工具准则不一致的,本集团选择不进行重述,因此,对于首次执行该准则的累积影响数,本集团调整2021年年初留存收益或其他综合收益以及财务报表其他相关项目金额,2020年度的财务报表未予重述。

执行新金融工具准则对本集团的主要变化和影响如下:

——本集团于2021年1月1日及以后将持有的部分非交易性股权投资指定为以公允价值计量且其变动计入其他综合收益的金融资产,列报为其他权益工具投资。

——本集团于2021年1月1日及以后将持有的重庆城南水务有限公司股权投资作为以公允价值计量且其变动计入当期损益的金融资产,列报为其他非流动金融资产。

#### A、首次执行日前后金融资产分类和计量对比表

##### a、对合并财务报表的影响

2020年12月31日(变更前)			2021年1月1日(变更后)		
项目	计量类别	账面价值	项目	计量类别	账面价值
应收账款	摊余成本	3,089,027,611.45	应收账款	摊余成本	3,087,349,490.38
其他应收款	摊余成本	1,274,277,420.83	其他应收款	摊余成本	1,273,745,398.13

2020 年 12 月 31 日 (变更前)		2021 年 1 月 1 日 (变更后)	
可供出售金融资产	以成本计量 (权益工具)	其他权益工具投资	以公允价值计量且其变动计入其他综合收益
		其他非流动金融资产	以公允价值计量且其变动计入当期损益
	38,870,000.00		39,809,264.06
			300,000.00

B、首次执行日，原金融资产账面价值调整为按照新金融工具准则的规定进行分类和计量的新金融资产账面价值的调节表

a、对合并报表的影响

项目	2020 年 12 月 31 日 (变更前)	重分类	重新计量	2021 年 1 月 1 日 (变更后)
摊余成本:				
应收账款	3,069,027,511.45			
重新计量: 预计信用损失准备			-1,678,121.07	
按新金融工具准则列示的余额				3,067,349,490.38
其他应收款	1,274,277,420.83			
重新计量: 预计信用损失准备			532,032.70	
按新金融工具准则列示的余额				1,273,745,388.13
可供出售金融资产 (原准则)	38,870,000.00			
减: 转出至其他权益工具投资		38,870,000.00		
按新金融工具准则列示的余额				—
其他权益工具投资	—			
加: 自可供出售金融资产 (原准则) 转入		38,870,000.00		
重新计量: 按公允价值重新计量			1,139,264.06	
按新金融工具准则列示的余额				39,809,264.06
其他非流动金融资产	—			
加: 自可供出售金融资产 (原准则) 转入		300,000.00		
按新金融工具准则列示的余额				300,000.00

C、首次执行日，金融资产减值准备调节表

a、对合并报表的影响



计量类别	2020 年 12 月 31 日（变更前）	重分类	重新计量	2021 年 1 月 1 日（变更后）
摊余成本：				
应收账款减值准备	248,555.52		1,878,121.077	1,927,106.587
其他应收款减值准备	30,753,531.52		532,032.75	31,285,563.720

## D、对 2021 年 1 月 1 日留存收益和其他综合收益的影响

项目	合并未分配利润	合并盈余公积	合并其他综合收益
2020 年 12 月 31 日	1,362,202,080.45		463,230,988.61
1、将可供出售金融资产重分类为其他权益工具投资并重新计量			854,453.04
2、应收账款减值重新计量	1,666,748.86		
2021 年 1 月 1 日	1,363,868,829.31		464,085,441.65

## ②执行新收入准则导致的会计政策变更

财政部于 2017 年 7 月 5 日发布了《企业会计准则第 14 号——收入（2017 年修订）》（财会〔2017〕22 号）（以下简称“新收入准则”）。本集团于 2021 年 1 月 1 日起开始执行前述新收入准则。

新收入准则为规范与客户之间的合同产生的收入建立了新的收入确认模型。为执行新收入准则，本集团重新评估主要合同收入的确认和计量、核算和列报等方面。根据新收入准则的规定，选择仅对在 2021 年 1 月 1 日尚未完成的合同的累积影响数进行调整，以及对于最早可比期间期初之前或 2021 年 1 月 1 日之前发生的合同变更予以简化处理，即根据合同变更的最终安排，识别已履行的和尚未履行的履约义务、确定交易价格以及在已履行的和尚未履行的履约义务之间分摊交易价格。首次执行的累积影响金额调整首次执行当期期初（即 2021 年 1 月 1 日）的留存收益及财务报表其他相关项目金额，对可比期间信息不予调整。

## 执行新收入准则的主要变化和影响如下：

本集团将因转让商品而预先收取客户的合同对价从“预收账款”科目变更为“合同负债”科目列报。

## A、对 2021 年 1 月 1 日财务报表的影响

报表项目	2020 年 12 月 31 日（变更后）金额		2021 年 1 月 1 日（变更后）金额	
	合并报表	公司报表	合并报表	公司报表
预收账款	1,473,833,008.21		897,095.17	
合同负债			1,404,139.75	51
其他流动负债			63,843,161.53	

## B、对 2021 年 12 月 31 日的影响

采用变更后会计政策编制的 2021 年 12 月 31 日合并及公司资产负债表各项目，2021 年度合并

及公司利润表各项目，与假定采用变更前会计政策编制的这些报表项目相比，受影响项目对比情况如下：

对 2021 年 12 月 31 日资产负债表的影响

报表项目	2021 年 12 月 31 日 新收入准则下金额		2021 年 12 月 31 日 旧收入准则下金额	
	合并报表	公司报表	合并报表	公司报表
预收款项	1,970,512.35		1,202,662,273.12	
合同负债	1,046,866,289.46			
其他流动负债	56,660,148.19			
其他非流动负债	179,165,323.12			

### ③执行新租赁准则导致的会计政策变更

财政部于 2018 年 12 月 7 日发布了《企业会计准则第 21 号——租赁(2018 年修订)》(财会[2018]35 号)(以下简称“新租赁准则”)。本集团于 2021 年 1 月 1 日起执行前述新租赁准则。

执行新租赁准则对本公司的财务报表无影响。

### (2) 会计估计变更

本集团在报告期内无会计估计变更事项。

## 五、税项

### 1、主要税种及税率

税 种	具体税率情况
增值税	应税收入按 13% 的税率计算销项税，并按扣除当期允许抵扣的进项税额后的差额计缴增值税。增值税简易征收率 5%、3%。
城市维护建设税	按实际缴纳的流转税的 7%、5% 计缴。
教育费附加	按实际缴纳的流转税的 3% 计缴。
地方教育费附加	按实际缴纳的流转税的 2% 计缴。
企业所得税	按应纳税所得额的 25% 计缴。

### 2、税收优惠及批文

无。

## 六、合并财务报表项目注释

以下注释项目除特别注明之外，“期初”指 2021 年 1 月 1 日，“期末”指 2021 年 12 月 31 日，“上期”指 2020 年度，“本期”指 2021 年度。

### 1、货币资金

## (1) 货币资金明细

项 目	期末余额	期初余额
库存现金	1,217,034.47	196,790.86
银行存款	1,456,620,904.29	1,859,680,217.73
其他货币资金	15,035,414.10	483,650,000.00
合 计	1,480,673,322.86	2,353,526,608.59

## (2) 受限制的货币资金明细如下

项 目	期末余额	期初余额
银行承兑汇票保证金	19,000,300.00	368,000,000.00
用于担保的定期存款或通知存款		95,850,000.00
合 计	19,000,300.00	463,850,000.00

注：截至 2021 年 12 月 31 日止货币资金因质押而导致所有权或使用权受限的情况详见附注六、51 “所有权或使用权受限制的资产”。

## 2、应收账款

## (1) 应收账款按账龄披露

账 龄	期末余额	期初余额
一年以内	1,351,265,089.60	3,065,588,847.57
一至二年	553,189,062.13	536,948.43
二至三年	247,257,714.85	
三至四年	1,759,127.60	
四至五年		151,800.96
五年以上	151,800.96	
小 计	2,293,572,795.20	3,069,276,596.93
减：坏账准备	3,357,872.45	1,927,106.55
合 计	2,290,204,922.75	3,067,349,490.38

## (2) 按坏账计提方法分类列示

种 类	账面余额		坏账准备		账面价值
	金额	比例(%)	金额	计提比例(%)	
单项计提坏账准备的应收账款					
按组合计提坏账准备的应收账款	2,253,572,795.20	100.00	3,357,872.45	0.15	2,290,204,922.75
组合 1	32,321,758.69	1.41	1,136,722.70	3.42	31,215,045.99
组合 2	2,261,251,026.51	98.59	2,261,149.75	0.10	2,258,989,876.73

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种 类	期末余额				账面价值
	账面余额		坏账准备		
	金额	比例(%)	金额	计提比例(%)	
合 计	2,293,572,795.23	100.00	3,367,572.45		2,290,234,922.75

(续)

种 类	期初余额				
	账面余额		坏账准备		账面价值
	金额	比例(%)	金额	计提比例(%)	
单项计提坏账准备的应收账款					
按组合计提坏账准备的应收账款	3,089,275,595.93	100.00	1,927,105.55	0.06	3,087,349,490.38
组合 1	1,473,253,818.12	47.69	312,585.48	0.02	1,472,941,232.64
组合 2	1,616,022,778.81	52.31	1,614,521.07	0.10	1,614,408,257.74
合 计	3,089,275,595.93	100.00	1,927,105.55		3,087,349,490.38

①组合中采用其他方法计提坏账准备的应收账款

项 目	期末余额		坏账准备
	账面余额	计提比例(%)	
组合 2	2,261,251,026.51	0.10	2,261,149.75
合 计	2,261,251,026.51		2,261,149.75

②采用账龄分析法计提坏账准备的应收账款

账 龄	期末余额			期初余额		
	账面余额	坏账准备	计提比例(%)	账面余额	坏账准备	计提比例(%)
一年以内	30,400,846.23			1,472,565,058.76		
一至二年	9,993.50	999.35	10.00			
二至三年				535,948.42	166,784.52	30.00
三至四年	1,759,127.60	963,922.35	54.23			
四至五年				151,900.96	151,900.96	100.00
五年以上	151,920.95	151,800.95	100.00			
合 计	32,321,788.69	1,06,722.70		1,473,253,818.12	312,585.48	

(3) 应收账款减值准备表

项 目	期初余额	本期增加额			合计
		本期计提额	合并增加额	其他原因增加额	
按信用风险特征组合计提坏账准备的应收账款	1,927,105.55	754,517.75	695,248.15		1,440,765.90
单项计提坏账准备的应收账款					
合 计	1,927,105.55	754,517.75	695,248.15		1,440,765.90

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(续)

项 目	本期减少额					合计	期末余额
	因资产价值回升转回额	转销额	核销额	合并减少额	其他原因减少额		
按信用风险特征组合计提坏账准备的应收账款							3,367,872.45
单项计提坏账准备的应收账款							
合 计							3,367,872.45

(4) 应收账款金额前五名单位情况

单位名称	与本公司关系	账面余额	坏账准备	年限	占应收账款总额的比例(%)
重庆市巴南区土地整治储备中心	政府部门	1,155,564.09	1,155,564.09	0-2 年	50.56
重庆市巴南区文化和旅游管理委员会	政府部门	1,098,890.50	1,098,890.50	1 年以内	47.91
观音口水库建设指挥部办公室	非关联方	9,485,767.54		1 年以内	0.41
重庆巴南经济开发区建设实业有限公司	非关联方	3,364,447.60		1 年以内	0.15
食堂物资销售款	非关联方	2,725,595.32		1 年以内	0.12
合 计		2,274,036,403.17	2,258,460.59		99.15

## 3、预付款项

(1) 预付款项按账龄列示

账 龄	期末余额		期初余额	
	金额	比例(%)	金额	比例(%)
一年以内	3,421,324.78	36.03	90,734,505.84	86.28
一至二年	765,113.35	8.06	12,035,679.14	11.44
二至三年	5,042,125.37	53.11	2,266,024.00	2.15
三至四年	268,024.00	2.80	133,000.00	0.13
合 计	9,494,587.50	100.00	105,169,205.98	100.00

(2) 账龄超过一年的大额预付款项情况

债权单位	债务单位	期末余额	账龄	未结算的原因
重庆市永润文旅实业开发有限公司	嗣鼎建工有限公司	4,822,624.71	2-3 年	未办理结算
合 计		4,822,624.71		

(3) 预付款项金额的前五名单位情况

单位名称	账面余额	占预付款项比例(%)
嗣鼎建工有限公司	4,822,624.71	50.79



单位名称	账面余额	占应付款项比例(%)
重庆巴南区文化和旅游局	1,000,000.00	12.53
重庆红钢堡石油加油站有限责任公司	1,714,500.00	18.06
巴南区小梁坝加油站	135,198.54	1.74
重庆红钢堡加油站	83,735.43	0.67
合 计	3,760,118.48	81.79

#### 4、其他应收款

##### (1) 其他应收款分类

项 目	期末余额	期初余额
应收利息		
应收股利	2,328,718.93	
其他应收款	3,071,503,771.89	1,273,745,368.14
合 计	3,073,832,468.82	1,272,745,368.14

##### (2) 应收股利

###### ①应收股利明细表

项 目	期末余额	期初余额
重庆渝教投智惠达有限公司	2,328,718.93	
合 计	2,328,718.93	
减：坏账准备		
合 计	2,328,718.93	

##### (3) 其他应收款

###### ①其他应收款按账龄披露

账 龄	期末余额	期初余额
一年以内	1,789,589,555.20	752,508,228.09
一至二年	1,337,941,981.31	353,895,054.90
二至三年	353,619,058.78	134,422,538.13
三至四年	94,713,532.18	29,052,338.03
四至五年	25,025,005.23	25,503,155.90
五年以上	30,578,120.80	
合 计	3,084,578,751.40	1,283,695,347.28
减：坏账准备	12,072,979.51	5,949,968.94
合 计	3,071,503,771.89	1,273,745,368.14

###### ②其他应收款按款项性质分类情况

款项性质	期末余额	期初余额
政府单位往来	1,759,514,385.06	192,689,610.68
非关联方往来款项	21,605,043.29	16,538,753.32
资金拆借	92,917,951.77	93,330,000.00
保证金	192,267,037.22	14,232,665.48
代垫款项	32,133,044.27	11,374,967.12
巴蜀区国资下属企业往来	981,145,835.01	947,246,152.81
其他	4,992,464.78	5,343,187.67
小计	3,084,576,751.43	1,260,595,347.08
减：坏账准备	13,372,979.51	6,949,958.94
合计	3,071,503,771.89	1,273,745,388.14

## ③其他应收款减值准备表

项目	期初余额	本期增加额			合计
		本期计提额	合并增加额	其他原因增加额	
按信用风险特征组合计提坏账准备的其他应收账款	6,949,958.94	6,123,020.57			6,123,020.57
单项计提坏账准备的其他应收账款					
合计	6,949,958.94	6,123,020.57			6,123,020.57

(续)

项目	固定资产价值 回升转回额	本期减少额				合计	期末余额
		转销额	核销额	合并减少额	其他原因减少额		
按信用风险特征组合计提坏账准备的其他应收账款							13,072,979.51
单项计提坏账准备的其他应收账款							
合计							13,072,979.51

## ④其他应收款坏账准备计提情况

坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来12个月预期信用损失	整个存续期预期信用损失(未发生信用减值)	整个存续期预期信用损失(已发生信用减值)	
年初余额	6,949,958.94			6,949,958.94
年初账面余额在本年：				
——转入第二阶段				
——转入第三阶段				
——转回第二阶段				
——转回第一阶段				

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坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来 12 个月预期信用损失	整个存续期预期信用损失 (未发生信用减值)	整个存续期预期信用损失 (已发生信用减值)	
年初计提	6,123,020.57			6,123,020.57
本年转回				
本年转销				
本年计提				
其他变动				
年末余额	13,072,979.51			13,072,979.51

## ③按欠款方归集的年末余额前五名的其他应收款情况

单位名称	款项性质	年末余额	账龄	占其他应收款 总额的比例(%)	坏账准备 年末余额
重庆市巴南区文旅产业发展管理委员会办公室	政府单位往来	711,312,819.81	1 年以内	23.06	
重庆市巴南区土地整治储备中心	政府单位往来	710,855,370.94	0-2 年	23.05	710,855.37
重庆巴南经济开发区投资实业有限公司	巴南区国资委下属企业往来	560,675,258.34	0-2 年	18.19	560,679.25
重庆市城南水利发展有限公司	巴南区国资委下属企业往来	218,914,116.11	1-3 年	7.10	
重庆市巴南区水利局	政府单位往来	111,998,850.00	1-2 年	3.63	111,998.85
合 计		2,313,750,412.20		75.02	1,383,533.48

## ④采用账龄分析法计提坏账准备的其他应收款项

账 龄	期末余额			期初余额		
	账面余额	坏账准备	计提比例(%)	账面余额	坏账准备	计提比例(%)
一年以内	4,249,228.27			2,557,248.72		
一至二年	3,236,285.75	323,628.58	10.00	957,702.64	95,770.29	10.00
二至三年	640,524.44	192,157.33	30.00	4,153,664.44	1,250,885.33	30.00
三至四年	3,742,416.96	1,671,209.98	50.00	10,987,353.67	4,975,283.84	44.37
四至五年	10,211,457.94	7,688,405.56	77.25	382,236.62	191,118.31	50.00
五年以上	382,236.62	382,236.62	100.00			
合 计	22,264,162.97	10,657,638.07		19,054,098.49	6,413,038.75	

## 5、存货

## (1) 存货的分类

项 目	期末余额		
	账面余额	存货跌价准备	账面价值
原材料	3,569,245.78	235,581.69	3,353,664.09
库存商品	2,425,920.76		2,425,920.76
周转材料	47,354.42		47,354.40
消耗性生物资产	3,563,554.59		3,563,554.59
开发产品	1,129,531,640.19		1,129,531,640.19
开发成本	11,640,946,818.66		11,640,946,818.66
合 计	12,782,208,644.38	235,581.69	12,779,970,662.69

(续)

项 目	期初余额		
	账面余额	存货跌价准备	账面价值
原材料	1,579,185.19		1,579,185.19
库存商品	2,024,825.00		2,024,825.00
周转材料	37,072.45		37,072.45
消耗性生物资产	3,598,060.09		3,598,060.09
开发产品	456,597,878.24		456,597,878.24
开发成本	12,015,235,212.98		12,015,235,212.98
合 计	12,479,072,233.95		12,479,072,233.95

(2) 存货跌价准备变动情况

项 目	期初余额	本期增加额			合计
		本期计提额	合并增加额	其他原因增加额	
原材料		235,581.69			235,581.69
合 计		235,581.69			235,581.69

(续)

项 目	本期减少额				期末余额
	因资产价值回升转回额	转销额	核销额	合并减少额	
原材料					235,581.69
合 计					235,581.69

## 6、其他流动资产

项 目	期末余额	期初余额
定期存款	110,000,000.00	
理财产品		2,600,000.00
预缴税金		33,857,309.21

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项 目	期末余额	期初余额
留抵进项税	7,393,557.97	1,231,559.52
合 计	117,393,557.97	37,398,856.73

注：截至 2021 年 12 月 31 日止其他流动资产因质押而导致所有权或使用权受限的情况详见附注六、51“所有权或使用权受限制的资产”。

## 7、长期应收款

项 目	期末余额			期初余额		
	账面余额	坏账准备	账面价值	账面余额	坏账准备	账面价值
融资租赁款合计				134,606,697.98		134,606,697.98
合 计				134,606,697.98		134,606,697.98

## 8、其他权益工具投资

### （1）其他权益工具投资明细情况

项 目	期末余额	期初余额
重庆市巴南区道角供水有限公司	210,000.00	210,000.00
重庆巴南浦发村镇银行股份有限公司	5,657,384.57	5,735,823.99
重庆市巴南区农融资担保有限责任公司	30,623,323.54	30,343,460.07
重庆市统景山水利开发有限公司	800,000.00	800,000.00
重庆渝数科资集团有限公司	2,660,000.00	2,660,000.00
重庆市成易水利开发有限公司	30,490,500.00	
合 计	71,340,418.51	39,809,284.06

### （2）非交易性权益工具投资情况

项 目	本年确认的股利收入	累计利得	累计损失	其他综合收益转入留存收益的金额	指定为以公允价值计量且其变动计入其他综合收益的原因	其他综合收益转入留存收益的原因
重庆市巴南区道角供水有限公司					管理层意图	
重庆巴南浦发村镇银行股份有限公司		795,823.99			管理层意图	
重庆市巴南区农融资担保有限责任公司		623,323.54			管理层意图	
重庆市统景山水利开发有限公司					管理层意图	
重庆渝数科资集团有限公司	2,329,756.53				管理层意图	



项 目	本年实现的 股利收入	累计利息	累计损失	其他综 合收益 转入留 存收益 的金额	指定为以公允价值计 量且其变动 计入其他综合收 益的范围	其他综合 收益转入 留存收益 的范围
重庆市城基水利开发有限公司					管理层意图	
合 计	2,528,716.92	1,416,947.63				

#### 9、其他非流动金融资产

项 目	年末余额	年初余额
分类以公允价值计量且其变动计入当期损益的金融资产		335,000.00
其中：债务工具投资		335,000.00
合 计		335,000.00

#### 10、投资性房地产

(1) 按公允价值模式进行后续计量的投资性房地产

项目	期初公允价值	购置	本期增加			本期减少	期末公允价值
			自用房地产或存货转入	公允价值变动损益	其他	处置	
一、成本合计	1,135,200,032.79	305,270,305.55			159,319,503.83	8,532,459.41	591,257,585.76
房屋、构筑物	1,135,200,032.79	305,270,305.55			159,319,503.83	8,532,459.41	591,257,585.76
二、公允价值变动合计	838,575,294.64			41,351,375.30		2,786,133.05	877,231,541.09
房屋、构筑物	838,575,294.64			41,351,375.30		2,786,133.05	877,231,541.09
三、账面净值合计	1,973,875,327.63						2,468,489,227.85
房屋、构筑物	1,973,875,327.63						2,468,489,227.85

注 1：子公司重庆青巴南公路建设投资有限公司的投资性房地产公允价值经重庆中创资产评估有限公司评估并出具了《中创评报字（资）（2022）第 4 号资产评估报告》。

注 2：子公司重庆巴源建设投资有限公司、孙公司重庆创造置业有限公司的投资性房地产公允价值经重庆基石地房地产资产评估有限公司评估并出具了《中创评报字(2022)第 50007 号、重庆基石评报字(2022)第 50006 号评估报告》。

注 3：投资性房地产其价值增加其中 130,406,049.00 元为企业合并增加，该部分按投资性房地产公允价值经重庆中创资产评估有限公司评估并出具了《中创评报字（资）（2022）第 5 号、中创评报字（资）（2022）第 6 号资产评估报告；28,913,454.83 元为在建工程转入。

注 4：截至 2021 年 12 月 31 日止投资性房地产因抵押而导致所有权或使用权受限的情况详见附注六、51 “所有权或使用权受限的资产”。

## 11、固定资产

## (1) 固定资产分类

项 目	期末余额	期初余额
固定资产	130,236,766.38	52,461,837.76
固定资产清理		
合 计	130,236,766.38	52,461,837.76

## (2) 固定资产

项 目	房屋及建筑物	运输工具	电子设备	管道管网	其他	合计
一、账面原值						
1、年初余额	42,895,723.31	12,955,432.72	6,808,297.04	35,584,027.92	2,187,253.50	100,410,734.49
2、本年增加金额	52,345,019.39	757,218.64	4,567,293.50	57,042,205.33	6,545,418.78	121,257,155.54
(1) 外购	42,361,233.54	548,524.43	4,377,859.33	36,854,014.49	5,029,940.64	89,171,681.43
(2) 在建工程转入				20,188,190.84		20,188,190.84
(3) 企业合并增加	9,983,785.85	208,594.21	140,215.10		1,515,469.14	11,848,064.30
(4) 其他			49,219.07			49,219.07
3、本年减少金额		689,719.00	862,540.74	995,328.90		2,347,588.64
(1) 处置		689,719.00	862,540.74	995,328.90		2,347,588.64
4、年末余额	95,240,742.70	13,022,932.36	10,712,949.80	91,630,904.35	8,712,572.28	219,320,201.49
二、累计折旧						
1、年初余额	14,834,497.04	11,455,728.09	5,201,417.73	14,557,842.54	1,729,411.33	47,948,896.73
2、本年增加金额	12,274,721.23	895,432.86	1,335,238.86	27,797,567.13	1,030,846.21	43,333,806.29
(1) 计提	12,274,721.23	895,432.86	1,335,238.86	27,797,567.13	1,030,846.21	43,333,806.29
3、本年减少金额		863,691.43	605,336.86	930,239.62		2,199,267.91
(1) 处置		863,691.43	605,336.86	930,239.62		2,199,267.91
4、年末余额	27,109,218.27	11,727,469.52	5,931,319.73	41,555,170.05	2,760,257.54	89,083,435.11
三、减值准备						
1、年初余额						
2、本年增加金额						
3、本年减少金额						
4、年末余额						
四、账面价值						
1、年末账面价值	68,131,524.43	1,295,462.84	4,781,630.07	50,075,734.30	5,952,314.74	130,236,766.38
2、年初账面价值	28,061,225.27	1,459,704.63	1,606,879.31	20,896,185.38	437,842.17	52,461,837.76

注：截至 2021 年 12 月 31 日止固定资产中房屋建筑物因抵押而导致所有权或使用权受限的情况详见附注六、51 “所有权或使用权受限制的资产”。

## 12、在建工程

## (1) 在建工程分类

项 目	期末余额	期初余额
在建工程	415,180,926.74	363,768,905.98
工程物资		
合 计	415,180,926.74	363,768,905.98

## (2) 在建工程

## ①主要在建工程情况

项 目	期末余额			期初余额		
	账面余额	减值准备	账面价值	账面余额	减值准备	账面价值
本溪传统风貌提升区 EPC 项目	173,248,156.13		173,248,156.13	112,032,364.90		112,032,364.90
巴南区南线农村饮水安全工程	114,169,502.84		114,169,502.84	48,652,435.48		48,652,435.48
佳兆业广场二期（办公楼）	41,893,513.50		41,893,513.50	37,137,922.29		37,137,922.29
南线饮水二期工程	34,468,823.53		34,468,823.53	19,234,230.97		19,234,230.97
南湖水厂二期工程项目	19,654,765.03		19,654,765.03	15,404,156.49		15,404,156.49
长寿子水水库至龙洲湾隧道供水管道工程项目	9,459,999.84		9,459,999.84	6,201,657.03		6,201,657.03
界石营业中心管网改造工程	6,844,130.13		6,844,130.13			
捷安特门面装修工程	3,813,621.63		3,813,621.63			
巴源佳兆业房屋及车位	850,117.24		850,117.24	29,599,932.59		29,599,932.59
合 计	404,622,649.87		404,622,649.87	268,262,904.75		268,262,904.75

## ②重大在建工程项目变动情况

项目名称	期初余额	本期增加	转入固定资产	其他减少	期末余额
本溪传统风貌提升区 EPC 项目		173,248,156.13			173,248,156.13
巴南区南线农村饮水安全工程	112,032,364.90	2,137,137.94			114,169,502.84
佳兆业广场二期（办公楼）	40,935,863.76	957,649.74			41,893,513.50
南线饮水二期工程	25,913,558.69	6,565,264.84			34,468,823.53
南湖水厂二期工程项目	19,234,230.97	620,554.06			19,654,765.03
长寿子水库至龙洲湾隧道供水管道工程项目	7,988,608.93	6,471,390.91			9,459,999.84
界石营业中心管网改造工程	6,201,657.03	542,773.10			6,844,130.13
捷安特门面装修工程		3,813,621.63			3,813,621.63
巴源佳兆业房屋及车位	29,599,932.59	163,639.48		28,913,454.83	850,117.24
合 计	236,912,416.87	196,523,687.83		28,913,454.83	404,622,649.87

注：巴源佳兆业房屋及车位其他减少为将房屋初始入账成本转入投资性房地产。

## 13、无形资产

项目	办公软件	特许经营权	合计
一、账面原值			
1. 年初余额	511,879.99		511,879.99
2. 本年增加金额	381,000.00	550,742,924.53	551,123,924.53
(1) 外购	381,000.00	550,742,924.53	551,123,924.53
3. 本年减少金额			
4. 年末余额	892,879.99	550,742,924.53	551,635,804.52
二、累计摊销			
1. 年初余额	505,106.69		505,106.69
2. 本年增加金额	33,589.99	527,414.96	561,004.95
(1) 摊销	33,589.99	527,414.96	561,004.95
3. 本年减少金额			
4. 年末余额	538,696.68	527,414.96	1,066,111.64
三、减值准备			
1. 年初余额			
2. 本年增加金额			
3. 本年减少金额			
4. 年末余额			
四、账面价值			
1. 年末账面价值	354,183.31	550,215,509.57	550,569,692.88
2. 年初账面价值	6,773.30		6,773.30

注：截至 2021 年 12 月 31 日止无形资产中特许经营权因质押而导致所有权或使用权受限的情况详见附注六、51、所有权或使用权受限制的资产。

## 14、长期待摊费用

项目	期初余额	本期增加	本期摊销	其他减少额	期末余额
债券发行费	3,426,571.29		1,285,714.32		2,140,856.97
装修费	1,074,957.79	1,248,438.08	1,074,567.79		1,248,438.08
合计	4,501,529.08	1,248,438.08	2,360,282.11		3,391,295.05

## 15、递延所得税资产和递延所得税负债

## (1) 已确认的递延所得税资产



项 目	期末余额		期初余额	
	递延所得税资产	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异
应收账款减值准备	3,877,795.46	15,537,906.10	2,210,655.01	8,867,065.49
合 计	3,877,795.46	15,537,906.10	2,210,655.01	8,867,065.49

## (2) 已确认的递延所得税负债

项 目	期末余额		期初余额	
	递延所得税负债	应纳税暂时性差异	递延所得税负债	应纳税暂时性差异
投资性房地产公允价值变动	213,307,585.27	877,231,541.09	209,669,073.71	838,678,294.84
递延收益	558,023.27	2,232,093.06	625,167.80	2,500,671.19
其他权益工具投资公允价值变动	543,104.65	2,183,419.61	294,821.02	1,135,284.06
合 计	220,411,073.19	881,644,052.76	210,579,062.53	849,319,750.09

## (3) 未确认递延所得税资产明细

项 目	期末余额	期初余额
资产减值准备	235,581.59	10,000.00
信用减值损失	902,845.96	
递延收益	22,634,021.89	2,500,671.19
合 计	23,772,549.44	2,510,671.19

## 16、其他非流动资产

项 目	期末余额		期初余额	
	账面余额	减值准备	账面余额	减值准备
长期资产等	3,808,654,861.83	3,808,654,861.83	3,808,654,861.83	3,808,654,861.83
水权资产	3,779,184,700.00	3,779,184,700.00	3,779,184,700.00	3,779,184,700.00
代建基础设施工程	785,214,597.24	785,214,597.24		
房屋建筑物	370,543,636.66	370,543,636.66		
理财产品	336,862,500.00	336,862,500.00	336,862,500.00	336,862,500.00
货币资产	170,673,503.00	170,673,503.00	170,673,503.00	170,673,503.00
水利资产			793,552,861.12	793,552,861.12
其他资产	177,877,887.41	177,877,887.41	364,998,900.00	364,998,900.00
合 计	9,429,011,782.14	9,429,011,782.14	9,223,927,322.95	9,223,927,322.95

注：截至 2021 年 12 月 31 日止其他非流动资产因抵押而导致所有权或使用权受限的情况详见附注六、51 “所有权或使用权受限制的资产”。

## 17、短期借款

## (1) 短期借款分类

项 目	期末余额	期初余额
质押借款	275,000,000.00	270,300,000.00
抵押借款	179,000,000.00	
保证借款	512,500,000.00	96,650,000.00
信用借款	85,000,000.00	100,000,000.00
合 计	1,051,500,000.00	466,950,000.00

## (2) 短期借款明细

贷款单位	贷款银行	借款金额	借款起始日	借款终止日	币种	抵押或担保情况
重庆巴州文化旅游产业集团有限公司	中国光大银行股份有限公司重庆分行	100,000,000.00	2021-1-14	2022-1-14	人民币	保证借款
重庆巴州文化旅游产业集团有限公司	中国建设银行股份有限公司重庆巴南支行	85,000,000.00	2021-8-28	2022-8-23	人民币	信用借款
重庆巴州文化旅游产业集团有限公司	广发银行股份有限公司重庆分行	180,000,000.00	2021-4-9	2022-4-6	人民币	质押借款
重庆巴州文化旅游产业集团有限公司	中信银行股份有限公司重庆分行	200,000,000.00	2021-5-19	2022-5-18	人民币	保证借款
重庆巴鑫建设有限公司	中国光大银行股份有限公司重庆分行	100,000,000.00	2021-5-20	2022-5-20	人民币	保证借款
重庆巴鑫建设有限公司	广发银行股份有限公司重庆分行	60,000,000.00	2021-5-26	2022-5-26	人民币	质押借款
重庆瑞洲建设投资有限公司	广发银行股份有限公司重庆分行	24,000,000.00	2021-1-29	2022-1-25	人民币	保证借款
重庆瑞洲建设投资有限公司	广发银行股份有限公司重庆分行	179,000,000.00	2021-12-14	2022-12-14	人民币	抵押借款
重庆渝江水务有限公司	重庆农村商业银行巴南支行	18,500,000.00	2021-5-26	2022-5-25	人民币	保证借款
重庆渝江水务有限公司	重庆农村商业银行巴南支行	10,000,000.00	2021-11-18	2022-11-17	人民币	保证借款
重庆渝江水务有限公司	浙商银行股份有限公司重庆分行	50,000,000.00	2021-4-23	2022-4-22	人民币	保证借款
重庆市木洞文旅实业开发有限公司	重庆银行股份有限公司	10,000,000.00	2021-12-24	2022-8-23	人民币	质押借款
重庆市木洞文旅实业开发有限公司	广发银行股份有限公司重庆分行	25,000,000.00	2021-3-12	2022-3-11	人民币	抵押借款
重庆南城水务有限公司	三峡银行巴南支行	10,000,000.00	2021-5-28	2022-5-28	人民币	保证借款
合 计		1,051,500,000.00				

## (3) 质押借款

贷款单位	借款余额	质押物
重庆巴南文化旅游产业集团有限公司	183,000,000.00	定期存单
重庆巴鑫建设有限公司	60,000,000.00	定期存单
重庆巴南文旅实业开发有限公司	10,000,000.00	定期存单
重庆巴南文旅实业开发有限公司	25,000,000.00	定期存单
合 计	278,000,000.00	

## (4) 抵押借款

贷款单位	借款余额	抵押物
重庆瑞河建设投资有限公司	175,000,000.00	投资性房地产
合 计	175,000,000.00	

## (5) 保证借款

贷款单位	借款余额	担保人
重庆巴南文化旅游产业集团有限公司	100,000,000.00	重庆市巴南公路建设有限公司
重庆巴南文化旅游产业集团有限公司	200,000,000.00	重庆市巴南公路建设有限公司
重庆巴鑫建设有限公司	100,000,000.00	重庆巴南文化旅游产业集团有限公司
重庆瑞河建设投资有限公司	24,000,000.00	重庆巴南文化旅游产业集团有限公司
重庆渝红水务有限公司	50,000,000.00	重庆市巴南公路建设有限公司
重庆南城水务有限公司	10,000,000.00	重庆市巴南区南丰水力发电有限公司、重庆渝红水务公司
重庆渝江水务有限公司	18,500,000.00	重庆巴南文化旅游产业集团有限公司、重庆
重庆渝江水务有限公司	10,000,000.00	瑞河建设投资有限公司
合 计	512,500,000.00	

## 18、应付票据

## (1) 应付票据明细情况

种 类	期末余额	期初余额
银行承兑汇票		388,350,000.00
商业承兑汇票		180,000,000.00
合 计		568,350,000.00

## 19、应付账款

## (1) 应付账款按账龄列示

账 龄	期末余额	期初余额
一年以内	111,812,233.28	799,644,591.54

账 龄	期末余额	期初余额
一至二年	42,789,792.35	58,500,155.47
二至三年	1,100,394.15	3,856,557.80
三至四年	684,025.50	7,642,224.83
四至五年	234,033.78	1,451,294.30
五年以上	4,101,809.86	65,141,266.79
合 计	180,722,289.02	936,236,100.83

## (2) 账龄超过 1 年的重要应付账款

债权人单位名称	期末金额	未偿还或结转的原因
重庆国际生物城开发投资有限公司	25,464,083.58	未结算
重庆市巴南区教育委员会	9,950,000.00	未结算
合 计	35,414,083.58	

## 20、预收款项

## (1) 预收款项列示

项 目	期末余额	期初余额
预收房租	1,970,512.35	897,085.17
合 计	1,970,512.35	897,085.17

## (2) 预收款项明细

账 龄	期末余额	期初余额
一年以内	1,970,512.35	897,085.17
合 计	1,970,512.35	897,085.17

## 21、合同负债

项 目	期末余额	期初余额
预存水费及预收安装费	3,281,537.49	2,550,288.45
预收安置房房款	1,212,636,300.56	1,390,179,917.00
预收服务费	9,024,151.89	11,408,558.06
预收设计费	88,822.64	
减：计入其他非流动负债	178,165,323.12	
合 计	1,046,868,289.46	1,404,139,761.51

## 22、应付职工薪酬

## (1) 应付职工薪酬分类列示

项 目	期初余额	本期增加	本期减少	期末余额
一、短期薪酬	18,925,927.83	200,073,543.98	199,647,420.51	19,352,051.30
二、离职后福利-设定提存计划		29,234,771.03	29,194,921.41	39,849.62
三、辞退福利		371,563.50	371,563.50	
合 计	18,925,927.83	229,679,878.49	229,213,905.52	19,391,902.80

## (2) 短期薪酬

项 目	期初余额	本期增加	本期减少	期末余额
一、工资、奖金、津贴和补贴	18,915,358.78	168,091,133.39	168,575,047.96	19,331,444.21
二、职工福利费		8,471,754.92	8,471,754.92	
三、社会保险费		14,343,353.20	14,342,071.46	1,281.74
其中：1.医疗保险费		12,608,364.31	12,605,383.17	1,281.74
2.工伤保险费		1,574,706.13	1,574,706.13	
3.生育保险费		162,282.16	162,262.15	
4.其他				
四、住房公积金	1,782.00	4,488,255.20	4,485,492.20	8,545.00
五、工会经费和职工教育经费	4,787.05	3,286,817.25	3,281,624.07	9,782.23
六、短期带薪缺勤				
七、短期利润分享计划				
八、其他短期薪酬		492,230.00	492,230.00	
合 计	18,925,927.83	200,073,543.98	199,647,420.51	19,352,051.30

## (3) 设定提存计划列示

项 目	期初余额	本期增加	本期减少	期末余额
一、基本养老保险费		20,772,508.73	20,734,675.39	37,832.34
二、失业保险费		655,025.25	653,907.97	2,317.28
三、企业年金缴费		5,824,043.61	5,824,043.61	
四、补充养老保险费		1,883,193.44	1,883,193.44	
合 计		28,234,771.03	28,194,921.41	39,849.62

## 23、应交税费

项 目	期初余额	期初余额
企业所得税	238,587,143.84	214,283,907.74
个人所得税	119,863.41	233,322.04
增值税	232,678,532.44	253,200,317.62
房产税	1,389,435.68	679,611.22
土地使用税	5,311,222.21	67,027.50
印花税	848,589.40	15,473.10



项 目	期末余额	期初余额
教育费附加	7,858,778.71	8,167,599.86
城市维护建设税	18,181,479.74	18,920,136.36
地方教育费附加	5,007,463.31	5,225,998.68
合 计	511,060,479.64	501,813,411.33

## 24、其他应付款

### （1）其他应付款分类

项 目	期末余额	期初余额
应付利息		101,778,681.42
应付股利		
其他应付款	3,847,186,958.86	3,495,205,030.83
合 计	3,847,186,958.86	3,596,983,712.25

### （2）应付利息

#### ①应付利息明细情况

项 目	期末余额	期初余额
分期付息到期还本的长期借款利息		
企业债券利息		58,631,181.42
短期借款应付利息		
划分为金融负债的优先股永续债利息		3,087,500.00
其他非流动负债利息		3,087,500.00
合 计		101,778,681.42

### （3）其他应付款

#### ①其他应付款性质列示

项 目	期末余额	期初余额
保证金及质保金	36,243,513.27	40,288,533.85
非关联方资金往来	95,366,780.79	115,712,790.69
政府单位资金往来	1,703,679,550.32	2,329,708,451.91
奖金暂借	435,244,630.22	484,156,565.66
巴南×国资下属企业往来	465,649,094.50	383,560,312.83
代收代付款	101,265,865.34	119,056,327.64
关联方资金拆借	328,042.14	
其他	11,390,672.56	12,722,898.30
合 计	3,847,186,958.86	3,495,205,030.83

## ②账龄超过 1 年的重要其他应付款

项 目	期末余额	未偿还原因
重庆市巴南区征地事务中心	382,442,747.32	未结算
重庆市南部新城产业控股集团有限公司	276,922,300.00	未结算
重庆国际生物城开发投资有限公司	43,967,752.59	未结算
重庆职业技术教育城建设有限公司	402,533,333.33	未结算
重庆市巴南区国有资产监督管理办公室	17,119,319.50	未结算
重庆市巴南区水利局	13,307,308.88	未结算
重庆市巴南区财政局	410,000,000.00	未结算
重庆市巴南区城市棚户区（危旧房）改造工作领导小组办公室	38,273,500.00	未结算
重庆市巴南区中型水库建设指挥部	30,000,000.00	未结算
合 计	1,614,585,951.62	

## 25、一年内到期的非流动负债

## (1) 一年内到期的非流动负债分类

项 目	期末余额	期初余额
一年内到期的长期借款	824,310,253.67	642,992,568.45
一年内到期的应付债券	739,870,000.00	650,000,000.00
一年内到期的长期应付款	2,334,742,622.55	1,462,507,984.53
一年内到期的其他非流动负债		303,000,000.00
合 计	3,898,922,876.42	3,058,500,552.98

## 26、其他流动负债

项 目	期末余额	期初余额
远东宏信（天津）融资租赁有限公司	10,095,326.20	
兴业国际信托有限公司	150,000,000.00	
待转销项税	55,660,148.13	68,643,161.53
待处理财产损益	602,014.38	
应付利息	63,779,527.51	
合 计	280,137,516.39	68,643,161.53

## 27、长期借款

## (1) 长期借款分类

项 目	期末余额	期初余额
质押借款	1,570,000,000.00	1,140,000,000.00

项 目	期末余额	期初余额
抵押借款	222,028,048.76	258,842,682.92
保证借款	3,610,304,249.71	2,581,783,554.00
信用借款	285,000,000.00	408,000,000.00
减：一年内到期的长期借款	824,310,253.87	642,992,568.45
合 计	4,863,022,044.60	3,745,613,668.47

## (2) 长期借款明细

贷款单位	贷款银行	借款金额	一年内到期	借款起始日	借款终止日	币种	抵押或担保情况
重庆巴洲文化旅游产业集团有限公司	华夏银行巴南支行	64,350,000.00	1,300,000.00	2021-6-23	2024-6-20	人民币	保证借款
重庆巴洲文化旅游产业集团有限公司	成都银行	285,000,000.00	30,000,000.00	2021-2-1	2024-1-26	人民币	信用借款
重庆巴洲文化旅游产业集团有限公司	泸州银行	300,000,000.00	150,000,000.00	2021-12-3	2023-12-2	人民币	保证借款
重庆巴洲文化旅游产业集团有限公司	重庆三峡银行巴南支行	480,000,000.00		2021-12-28	2029-12-28	人民币	质押借款
重庆巴鑫建设有限公司	江苏金融租赁股份有限公司	51,609,278.00	51,609,278.00	2020-11-25	2022-11-25	人民币	保证借款
重庆畅宜达建设有限公司	中国农业发展银行重庆市巴南区支行	497,800,000.00	4,182,000.00	2019-11-20	2034-11-17	人民币	保证借款
重庆畅宜达建设有限公司	中国农业发展银行重庆市巴南区支行	312,490,000.00	2,690,000.00	2020-3-24	2034-11-17	人民币	保证借款
重庆畅宜达建设有限公司	中国农业发展银行重庆市巴南区支行	190,000,000.00		2021-1-25	2036-1-10	人民币	保证借款
重庆畅宜达建设有限公司	中国农业发展银行重庆市巴南区支行	139,710,000.00	1,118,000.00	2021-3-31	2034-11-17	人民币	保证借款
重庆畅宜达建设有限公司	中国农业发展银行重庆市巴南区支行	92,600,000.00		2021-9-18	2036-1-10	人民币	保证借款
重庆贝思特人力资源开发有限公司	中德银行股份有限公司重庆分行	12,378,048.76	1,414,834.16	2020-7-24	2023-7-23	人民币	抵押借款

贷款单位	贷款银行	借款金额	一年内到期	借款起始日	借款终止日	币种	抵押或担保情况
重庆贝恩特人力资源开发有限公司	中信银行股份有限公司重庆分行	2,500,000.00	600,000.00	2020-9-4	2023-8-31	人民币	抵押借款
重庆源文建设有限公司	中国农业发展银行重庆巴南区支行	492,159,630.00		2021-8-15	2029-8-14	人民币	保证借款
重庆瑞洲建设投资有限公司	重庆农村商业银行	1,110,000,000.00	30,000,000.00	2018-8-22	2031-8-21	人民币	质押借款
重庆瑞洲建设投资有限公司	厦门国际银行股份有限公司厦门分行	51,200,000.00	51,200,000.00	2020-4-20	2022-4-20	人民币	保证借款
重庆瑞洲建设投资有限公司	华夏银行股份有限公司重庆巴南支行	38,800,000.00	800,000.00	2020-5-28	2023-5-27	人民币	保证借款
重庆瑞洲建设投资有限公司	华夏银行股份有限公司重庆巴南支行	24,250,000.00	500,000.00	2020-6-24	2023-6-23	人民币	保证借款
重庆瑞洲建设投资有限公司	中航国际租赁有限公司	78,286,341.71	78,286,341.71	2020-6-24	2022-6-24	人民币	保证借款
重庆瑞洲建设投资有限公司	建信信托有限责任公司	480,000,000.00	340,000,000.00	2020-11-10	2023-3-22	人民币	保证借款
重庆瑞洲建设投资有限公司	华夏银行股份有限公司重庆巴南支行	25,050,000.00	600,000.00	2021-1-25	2024-1-24	人民币	保证借款
重庆瑞洲建设投资有限公司	中信银行股份有限公司重庆分行	75,000,000.00	10,000,000.00	2021-2-9	2024-2-8	人民币	保证借款
重庆瑞洲建设投资有限公司	成都益航资产管理有限公司	270,000,000.00	70,000,000.00	2021-12-24	2023-12-23	人民币	保证借款
重庆渝江水务有限公司	农业发展银行巴南支行	34,550,000.00		2016-4-25	2023-10-27	人民币	抵押借款
重庆渝江水务有限公司	农业发展银行巴南支行	65,000,000.00		2016-12-16	2031-9-22	人民币	抵押借款
重庆渝江水务有限公司	农业发展银行巴南支行	107,500,000.00		2017-2-28	2031-9-22	人民币	抵押借款
重庆市木洞文旅实业开发有限公司	中国农业发展银行重庆市巴南区支行	22,000,000.00		2020-7-31	2037-5-26	人民币	保证借款
重庆市木洞文旅实业开发有限公司	中国农业发展银行重庆市巴南区支行	55,000,000.00		2020-11-30	2037-5-26	人民币	保证借款

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贷款单位	贷款银行	借款金额	年内到期	借款起始日	借款终止日	币种	抵押或担保情况
重庆市木洞文化旅游业开发有限公司	中国农业发展银行重庆市巴南区支行	230,000,000.00		2020-12-29	2037-5-26	人民币	保证借款
重庆涪陵水务有限公司	中信银行股份有限公司重庆巴南支行	120,000,000.00		2019-3-28	2022-3-27	人民币	保证借款
合计		5,687,332,298.47	824,310,253.87				

## (3) 质押借款

贷款单位	借款余额	质押物
重庆巴洲文化旅游产业集团有限公司	460,000,000.00	停车位经营权、未来停车费收入
重庆瑞源建设投资有限公司	1,110,000,000.00	应收账款
合计	1,570,000,000.00	

## (4) 抵押借款

贷款单位	借款余额	抵押物
重庆贝思特人力资源开发有限公司	12,378,048.76	固定资产-房屋
重庆贝思特人力资源开发有限公司	2,500,000.00	固定资产-房屋
重庆涪陵水务有限公司	34,550,000.00	重庆市巴南区下溪果品公司的房产抵押（202房地证字2015字第013251号）、公路公司林权（巴南林证字（2015）第47号、巴南林证字（2015）第52号）、重庆市巴南区供销合作社联合社房产（房产：巴县字第17760号、地产：巴县用（99）字第409-75号）
重庆涪陵水务有限公司	65,000,000.00	
重庆涪陵水务有限公司	107,600,000.00	
合计	222,028,048.76	

## (5) 保证借款

贷款单位	借款余额	担保人
重庆巴洲文化旅游产业集团有限公司	64,360,000.00	重庆市巴南公路建设有限公司、重庆市南部新城产业投资集团有限公司
重庆巴洲文化旅游产业集团有限公司	300,000,000.00	重庆市巴南公路建设有限公司
重庆巴鑫建设有限公司	51,609,279.00	重庆市巴南公路建设有限公司
重庆畅宜达建设有限公司	497,800,000.00	重庆市南部新城产业投资集团有限公司
重庆畅宜达建设有限公司	312,430,330.00	重庆市南部新城产业投资集团有限公司
重庆畅宜达建设有限公司	180,000,000.00	重庆市南部新城产业投资集团有限公司
重庆畅宜达建设有限公司	139,710,000.00	重庆市南部新城产业投资集团有限公司
重庆畅宜达建设有限公司	92,600,000.00	重庆市南部新城产业投资集团有限公司
重庆源文建设工程有限公司	432,158,630.00	重庆巴洲文化旅游产业集团有限公司
重庆瑞源建设投资有限公司	51,200,000.00	重庆市巴南公路建设有限公司



贷款单位	借款余额	担保人
重庆瑞洲建设投资有限公司	36,800,000.00	重庆市巴南公路建设有限公司
重庆瑞洲建设投资有限公司	24,250,000.00	重庆市巴南公路建设有限公司
重庆瑞洲建设投资有限公司	78,288,341.71	重庆市渝兴建设投资有限公司、重庆市巴南公路建设有限公司
重庆瑞洲建设投资有限公司	490,000,000.00	重庆市巴南公路建设有限公司、重庆市南部新城产业投资集团有限公司
重庆瑞洲建设投资有限公司	25,050,000.00	重庆市巴南公路建设有限公司
重庆瑞湖建设投资有限公司	75,000,000.00	重庆巴州文化旅游产业集团有限公司
重庆瑞湖建设投资有限公司	270,000,000.00	重庆市巴南公路建设有限公司、重庆巴州文化旅游产业集团有限公司
重庆市木洞文旅实业开发有限公司	22,000,000.00	重庆市南部新城产业投资集团有限公司
重庆市木洞文旅实业开发有限公司	55,000,000.00	重庆市南部新城产业投资集团有限公司
重庆市木洞文旅实业开发有限公司	230,000,000.00	重庆市南部新城产业投资集团有限公司
重庆南城水务有限公司	120,000,000.00	重庆市巴南公路建设有限公司
合 计	3,610,304,249.71	

## 28、应付债券

## (1) 应付债券明细情况

项 目	期末余额	期初余额
21 渝巴洲文旅（乡村振兴）ZR001	247,789,453.00	
19 巴南公路 PPND01	299,115,393.64	299,248,347.96
19 巴南公路 PPND02	696,968,197.40	696,814,328.39
19 巴南公路 PPND03	564,870,000.00	564,870,000.00
巴南公路 2020 年第一期定向交易		500,000,000.00
21 巴南公路 MTND01	188,635,162.24	
16 巴南棚改项目 NPB	300,000,000.00	450,000,000.00
小 计	2,297,598,206.28	2,510,933,276.35
减：一年内到期部分	739,870,000.00	660,000,000.00
合 计	1,557,728,206.28	1,860,933,276.35

## (2) 应付债券的增减变动

债券名称	面值	发行日期	债券期限	发行金额	期初余额	本期发行	按面值计提利息	溢折价摊销	本期偿还	期末余额
21 渝巴南文旅（乡村振兴）ZRB001	250,000,000.00	2021-4-30	3 年	247,047,189.81		247,047,189.81	8,809,931.51	742,283.19		247,789,453.00
19 巴南公路 PPP001	300,000,000.00	2019-1-21	5 年	297,900,000.00	299,248,347.95		21,900,000.00	32,954.32		299,175,303.64
19 巴南公路 PPP002	700,000,000.00	2019-7-21	5 年	694,950,000.00	656,814,920.33		40,000,000.00	173,269.07		696,968,197.40
19 巴南公路 PPP003	570,000,000.00	2019-12-25	3 年	564,870,000.00	564,870,000.00		39,500,000.00			564,870,000.00
巴南公路 2020 年第一期定向发行	500,000,000.00	2020-8-26	1 年		500,000,000.00				500,000,000.00	
21 巴南公路 MTN001	100,000,000.00	2021-5-25	3 年	100,632,000.00		100,632,000.00	6,394,931.57	203,162.24		108,935,162.24
16 巴南机场项目 NPS	750,000,000.00	2016-8-16	7 年	750,000,000.00	450,380,000.00		22,455,000.00		150,000,000.00	300,330,000.00
小计	3,250,000,000.00			2,743,429,189.81	2,510,933,270.35	436,679,169.81	148,469,863.02	985,780.12	650,000,000.00	2,297,588,229.28
减：一年内到期部分本金					550,000,000.00					739,870,000.00
合计	3,250,000,000.00			2,743,429,189.81	1,960,933,270.35	436,679,169.81	148,469,863.02	985,780.12	650,000,000.00	1,557,718,229.28

## 28、长期应付款

## (1) 长期应付款分类

项 目	期末余额	期初余额
长期应付款	1,591,354,232.07	1,801,456,321.90
专项应付款	255,053,216.37	1,134,531,336.19
合 计	1,846,407,448.44	2,935,987,657.09

## (2) 长期应付款

项 目	期末余额	期初余额
邦银金融租赁股份有限公司	99,446,297.70	135,035,473.18
成都工投融资租赁有限公司	168,108,450.68	
柳堡海西金融租赁有限责任公司	100,375,354.85	
甘肃兰银金融租赁股份有限公司	75,300,000.00	150,000,000.00
广东粤海融资租赁有限公司	178,209,929.83	
广西越秀融资租赁有限公司	103,068,480.34	200,000,000.00
贵阳贵银金融租赁有限责任公司	156,922,465.36	
哈银金融租赁有限责任公司		234,335,862.74
海通恒信国际融资租赁股份有限公司	195,229,898.42	
河南九信金融租赁股份有限公司	131,800,513.15	212,094,143.25
湖北金融租赁股份有限公司	100,000,000.00	200,000,000.00
华生都鼎（上海）融资租赁有限公司	115,310,349.53	100,015,075.07
华融金融租赁股份有限公司		14,224,521.38
江苏金融租赁股份有限公司	26,350,151.48	75,395,553.38
久谦融资租赁（上海）有限公司	74,021,181.37	168,692,206.97
蓝湾设备租赁（上海）有限公司	352,447,476.62	
茅台（上海）融资租赁有限公司	51,204,086.85	100,000,000.00
山东汇通金融租赁有限公司	200,000,000.00	
山东成达金融租赁有限公司	156,875,555.73	219,632,762.74
上海越秀融资租赁有限公司	225,108,625.63	
无锡财通融资租赁有限公司	174,129,108.63	
兴业国际信托有限公司		175,800,000.00
兴义金融租赁有限责任公司	103,164,129.93	
展银金融租赁股份有限公司	138,568,390.27	
渝农商金融租赁有限责任公司	123,618,735.88	
长江联合金融租赁有限公司	144,555,825.51	195,000,000.00

项 目	期末余额	期初余额
浙江稠州金融租赁有限公司	150,000,000.00	200,000,000.00
中广核国际融资租赁有限公司	78,282,481.85	228,267,917.48
中航国际租赁有限公司		272,963,233.54
中交融资租赁（广州）有限公司	78,478,090.36	177,417,040.70
中交融资租赁有限公司	76,167,418.65	
中远海运租赁有限公司	80,123,446.09	
重庆皖渝金融租赁股份有限公司	265,826,089.45	200,000,000.00
减：一年内到期部分	2,334,742,622.56	1,482,507,964.53
合 计	1,591,354,232.07	1,801,456,321.90

## (3) 专项应付款

项 目	期初余额	本期增加	本期减少	期末余额
农村经营性建设用地相关规划编制费		1,470,000.00	300,000.00	1,170,000.00
交通重大项目		9,132,200.00		9,132,200.00
云篆山景区下山路	7,702,000.00			7,702,000.00
东泉绕泉路延伸段（东泉货运通道）改造工程	17,640,000.00			17,640,000.00
仁溪永寿工程项目	18,900,000.00			18,900,000.00
云篆山景区下山路（专件厂-千马路）升级改造二期	16,490,000.00			16,490,000.00
月华路升级改造工程		5,175,603.59		5,175,603.59
S406 升级改造工程	25,000,000.00		25,000,000.00	
学校建设资金	34,620,377.84		34,620,377.84	
协信天桥	1,780,000.00		1,780,000.00	
巴胜苑、横坪善晓项目资金	804,000,000.00		804,000,000.00	
长江黄溪河入口库岸	34,275,800.00		34,275,800.00	
南彭公租房项目补助资金	40,316,000.00			40,316,000.00
一品污水厂技改工程	9,602,640.00			9,602,640.00
鹿角污水厂技改工程	1,446,638.00			1,446,638.00
南泉二三级农村污水管网项目建设工程	19,991,500.00		2,114,893.71	17,876,606.29
巴南区海棠污水处理厂主管网建设工程	48,614,179.35			48,614,179.35
东温泉污水处理厂工程建设项目部	29,180,000.00			29,180,000.00
玉滩电站办公综合楼工程		2,896,223.00		2,896,223.00
木洞传统风貌区文物建筑物保护修缮工程及木洞附属工程	25,082,000.00	3,202,000.00		28,284,000.00
其他		616,926.14		616,926.14
合 计	1,134,531,335.19	22,482,562.73	901,871,071.55	256,053,216.37

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## 29、递延收益

## (1) 递延收益明细情况

项 目	期初余额	本期增加	本年减少/计入损益	本年减少/返还	期末余额
政府补助	2,500,671.19	22,633,523.11	2,500,172.41		22,634,021.89
合 计	2,500,671.19	22,633,523.11	2,500,172.41		22,634,021.89

## (2) 涉及政府补助的递延收益

项 目	期初余额	本年新增补 助金额	本年计入其 他收益金额	其他 变动	期末余额	与资产相关 与收益相关
安澜供水站扩建工程	922,500.00		90,000.00		832,500.00	与资产相关
圣灯出水厂改造二期	1,578,173.13		178,578.13		1,399,595.00	与资产相关
鹿角工业园区供水工程一期工程		2,437,500.00	225,000.00		2,212,500.00	与资产相关
南渡供水工程		17,892,134.45	2,006,594.28		15,885,540.17	与资产相关
南丰水利工程		2,303,888.66			2,303,888.66	与资产相关
合 计	2,500,671.19	22,633,523.11	2,500,172.41		22,634,021.89	

## 30、其他非流动负债

## (1) 其他非流动负债按项目类别

项 目	期末余额	期初余额
合同负债	178,165,323.12	
预收工程款	806,045,431.98	
合 计	984,210,755.10	

## 31、实收资本

投资者名称	期初余额	本期增加	本期减少	期末余额
重庆市巴南区国有资产管理中心	110,000,000.00	500,000,000.00		610,000,000.00
合 计	110,000,000.00	500,000,000.00		610,000,000.00

注：本期收到重庆市巴南区国有资产管理中心拨付的注册资本金 500,000,000.00 元。

## 32、资本公积

项 目	期初余额	本期增加	本期减少	期末余额
其他资本公积	9,795,235,142.35	280,503,035.25	203,065,138.44	9,872,673,040.16



项 目	期初余额	本期增加	本期减少	期末余额
合 计	9,795,235,142.35	280,503,036.25	203,065,138.44	9,872,673,040.16

注 1：本期重庆市巴南区征地事务中心收回对孙子公司重庆创途置业有限公司 1.63 亿元投资，导致资本公积减少 1.63 亿元。

注 2：本期重庆市巴南区征地事务中心按照建造成本价向公司收取浩阳阳光花园商业部分房款导致资本公积减少 39,635,738.44 元。

注 3：根据重庆市巴南区国有资产管理中心（巴南国资中心（2021）186 号）文件，将区水利局和区融媒体中心所属 5 户企业划转至本公司，导致资本公积增加 163,779,090.15 元。

注 4：根据重庆市巴南区国有资产管理中心（巴南国资中心（2021）208 号）文件，将重庆市巴南区五金电化工批发公司和重庆市巴南区百货批发公司划转至子公司重庆巴鑫建设投资有限公司，导致资本公积增加 116,723,946.10 元。

注 5：本期孙公司重庆巴南教育有限公司向前股东分配股利，导致资本公积减少 429,400.00 元。

33、其他综合收益

项 目	本期期初余额	本期发生额	本期计提/转销	减：前期计入其他综合收益当期转入损益	减：前期计入其他综合收益当期转入留存收益	减：前期计入其他综合收益当期转入损益	减：前期计入其他综合收益当期转入留存收益	减：前期计入其他综合收益当期转入损益	减：前期计入其他综合收益当期转入留存收益
一、不能重分类进损益的其他综合收益	854,463.04	780,850.92	1,041,134.56						
1.重新计量设定受益计划变动额									
2.权益法下不能转损益的其他综合收益									
3.其他权益工具投资公允价值变动	854,463.04	780,850.92	1,041,134.56						
二、将重分类进损益的其他综合收益	463,230,568.51								
1.自用房地产或存货转换为以公允价值计量的投资性房地产产生的公允价值变动	463,230,568.51								
公允价值变动损益	463,230,568.51	780,850.92	1,041,134.56						
其他综合收益合计	454,085,451.85	780,850.92	1,041,134.56						

## 34、未分配利润

项目	本期金额	上期金额
调整前上年年末未分配利润	1,382,232,090.47	1,241,351,507.65
调整上年年末未分配利润合计数（调增+，调减-）	-1,665,748.68	-42,999,356.03
调整前年初未分配利润	1,380,535,331.61	1,198,352,151.62
加：本期归属下母公司的净利润	171,456,713.09	206,114,028.85
减：提取法定盈余公积		
应付普通股股利	-2,407,100.00	22,024,100.00
转作股本的普通股股利		
其他减少		-50,000.00
期末未分配利润	1,555,398,144.70	1,382,232,090.47

注1：本年本公司上交巴南区国有资产管理中心利润16,322,900.00元。

注2：本年子公司重庆巴南建设投资有限公司收到巴南区国有资产管理中心退回利润19,730,000.00元。

## 35、营业收入、营业成本

## (1) 营业收入、营业成本

项目	本期发生额		上期发生额	
	营业收入	营业成本	营业收入	营业成本
主营业务小计	2,517,572,914.96	2,250,201,805.51	3,046,514,389.84	2,673,333,827.84
工程业务	1,110,912,294.09	958,552,888.57	39,174,200.96	34,079,339.98
供水业务	73,531,659.74	69,230,169.50	64,606,153.36	55,495,260.37
保安服务	166,423,652.75	132,942,486.10	154,270,444.10	125,236,445.70
商品销售	50,399,255.04	38,832,250.32	37,382,353.95	28,030,881.37
土地整理	221,854,330.00	199,677,600.00	1,388,653,464.21	1,319,230,291.00
安置房销售	862,346,587.45	848,993,634.67	1,342,982,158.56	1,315,021,339.02
代建管理费	28,374,851.74		4,037,537.74	
其他	13,754,614.15	2,172,876.35	15,443,058.66	2,240,250.80
其他业务小计	65,515,882.43	38,208,481.52	72,190,138.32	24,836,953.75
管道安装、维修	37,232,647.48	26,355,266.56	52,555,448.95	19,513,972.73
代驾服务	6,411,159.59	4,212,766.90	5,815,151.61	3,522,363.16
隔离点项目	2,319,669.65	4,557,171.20		
租赁	14,921,161.21	2,891,338.58	7,915,862.23	902,579.56
其他	4,631,044.40	4,181,938.58	6,063,964.53	497,027.91
合计	2,583,092,597.39	2,295,410,287.03	3,118,604,508.16	2,898,169,791.40

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## 36、税金及附加

项 目	本期发生额	上期发生额
房产税	7,480,463.22	2,815,759.37
土地使用税	5,400,374.54	226,827.95
印花税	1,185,331.83	58,475.90
车船使用税	12,982.50	7,613.90
教育费附加	1,320,617.14	2,071,660.54
城市维护建设税	3,085,113.90	4,833,852.24
地方教育费附加	680,411.43	1,381,100.52
耕地占用税	54,355.00	942,073.87
环境保护税	355,782.44	206,186.84
契税		1,119,067.57
合 计	19,776,429.00	13,462,529.23

## 37、销售费用

项 目	本期发生额	上期发生额
职工薪酬	2,338,777.60	2,124,330.50
差旅费	694,586.48	668,012.00
车辆费用	258,273.51	159,026.54
服务费	156,398.41	765,725.90
提刊费	166,340.52	427,020.28
折旧费	167,187.64	165,604.32
运杂费	158,568.13	177,341.72
水电气费	151,309.86	35,316.02
办公费	122,786.97	264,326.56
修理费	81,822.40	74,714.00
培训费	32,933.00	100,000.00
其他	140,029.21	115,982.14
合 计	4,230,115.68	5,077,080.98

## 38、管理费用

项 目	本期发生额	上期发生额
职工薪酬	65,250,571.13	40,628,620.26
聘请中介机构费用	10,503,588.85	5,834,211.09
工作经费	5,473,541.00	
劳务费	5,285,825.20	949,719.42

项 目	本期发生额	上期发生额
办公费	5,635,035.27	3,940,373.04
差旅费	3,687,195.97	3,110,188.71
物业及水电费	2,988,728.09	1,064,195.60
折旧摊销	3,380,930.83	2,263,171.70
宣传费	1,947,935.63	1,294,873.00
工会经费和职工教育经费	1,732,555.80	1,502,794.22
车辆使用费	1,057,522.49	724,547.11
劳动保护费	627,638.13	423,885.47
修理费	430,937.58	265,418.77
其他	7,771,235.67	4,879,376.42
合 计	115,773,073.63	67,871,146.81

### 39、财务费用

项 目	本期发生额	上期发生额
利息支出	127,250,404.64	7,088,522.16
减：利息收入	5,597,110.76	5,431,635.64
利息净支出	121,653,294.08	1,656,886.51
银行手续费	157,444.39	829,524.44
贴现手续费	1,281,090.00	1,261,090.00
合 计	123,111,818.47	3,287,270.75

### 40、其他收益

#### (1) 其他收益明细情况

项 目	本期发生额	上期发生额
政府补助	158,582,776.99	95,025,282.14
合 计	158,582,776.99	95,025,282.14

#### (2) 政府补助明细情况

项 目	本期发生额	上期发生额	与资产相关/与收益相关
运营资金补贴	153,352,100.00	80,281,320.00	与收益相关
税收优惠	2,830,904.49	2,553,053.33	与收益相关
黄浦供水工程	2,505,596.28		与资产相关
黄浦江上游供水工程二期工程	225,000.00		与资产相关
2020 年农村供水工程预拨款		395,000.00	与收益相关
圣幻自来水厂改造工程	178,578.13	519,428.81	与资产相关
安海供水站扩建工程	90,000.00	877,500.00	与资产相关
合 计	158,582,776.99	95,025,282.14	



**41、投资收益****(1) 投资收益明细情况**

项 目	本期发生额	上期发生额
其他权益工具投资持有期间取得股利收入	2,328,715.93	2,609,033.51
理财产品到期投资收益	524,041.22	2,767,011.96
合 计	2,852,757.15	5,376,045.47

**42、公允价值变动收益****(1) 公允价值变动收益明细情况**

产生公允价值变动收益的来源	本期发生额	上期发生额
按公允价值计量的投资性房地产	38,555,245.25	163,767,255.91
合 计	38,555,245.25	163,767,255.91

**43、信用减值损失****(1) 信用减值损失明细情况**

项 目	本期发生额	上期发生额
应收账款减值损失	-754,517.75	
其他应收款减值损失	5,123,070.57	
合 计	4,368,552.82	

**44、资产减值损失****(1) 资产减值损失明细情况**

项 目	本期发生额	上期发生额
存货跌价损失(不包含合同履约成本减值)	-235,581.69	
坏账损失		5,594,329.52
合 计	-235,581.69	5,594,329.52

**45、资产处置收益**

项 目	本期发生额	上期发生额
处置非流动资产利得		303,131.14
合 计		303,131.14

**46、营业外收入**

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## (1) 营业外收入明细情况

项 目	本期发生额	上期发生额
接受捐赠	52,219.07	25,762,302.40
与企业日常活动无关的政府补助	29,800.00	1,479,480.08
罚没	4,120,221.08	292,393.16
无法支付的应付款项	3,528,700.10	
其他	845,453.61	6,786,584.07
合 计	8,576,193.86	34,320,759.71

## (2) 政府补助明细情况

补助项目	本年发生额			上年发生额		
	计入营业外收入	其中：由递延收益转入	计入其他收益 其中：与递延收益转入	计入营业外收入	计入其他收益	冲减成本 费用
与企业日常经营活动相关的政府补助	29,600.00		153,352.10	83,281.30		
政府资金补贴						
景区优惠			2,930.19	2,553.05		
前期资本工程			2,336.58			
鹿角二期园外供水工程一期工程			225.00			
2020 年农村供水工程药剂费				365.00		
圣灯山水厂改造工程			178.57			
安澜供水站建设工程			90.00			
其他			32.36	877.53		
合计	29,600.00		158,682.77	1,479,480.08	85,036.28	

## 47、营业外支出

项 目	本期发生额	上期发生额
对外捐赠	3,581,734.61	7,800,311.95
罚没、滞纳金支出	5,627,400.31	118,511,951.55
其他	1,127,946.90	1,493,204.54
合 计	10,337,081.82	127,805,467.98

## 48、所得税费用

## (一) 所得税费用明细表

项 目	本期发生额	上期发生额
当期应纳所得税	52,487,614.21	47,779,644.06
递延所得税费用	7,909,226.32	42,355,554.18
合 计	60,396,840.53	90,135,198.24

## 49、现金流量表项目注释

## (1) 收到其他与经营活动有关的现金

项 目	本期金额	上期金额
往来款	5,341,153,545.74	8,654,607,321.51
政府补助	175,965,622.11	25,490,893.60
利息收入	5,597,110.76	5,431,655.84
合 计	5,522,696,278.61	8,745,567,670.95

## (2) 支付其他与经营活动有关的现金

项 目	本期金额	上期金额
往来款	2,555,304,157.67	7,867,507,942.85
银行手续费支出	197,444.38	829,524.44
付现费用	46,576,670.43	28,935,994.55
营业外支出	11,570,657.11	20,976,975.38
合 计	2,714,330,969.59	8,018,343,337.22

## (3) 收到其他与投资活动有关的现金

项 目	本期金额	上期金额
具有现金性质的债务拆借款	81,690,666.57	106,030,000.00
取得了公司及其他营业单位支付的现金净额	159,037,094.76	-
合 计	220,727,761.33	106,030,000.00

## (4) 支付其他与投资活动有关的现金

项 目	本期金额	上期金额
具有投资性质的拆借借款	1,668,337,978.03	88,000,000.00
合 计	1,668,337,978.03	88,000,000.00

## (5) 收到其他与筹资活动有关的现金

项 目	本期金额	上期金额
收到具有筹资性质的拆借款	947,000,000.00	25,030,000.00
合 计	947,000,000.00	25,030,000.00

## (6) 支付其他与筹资活动有关的现金

项 目	本期金额	上期金额
为融资租赁存单	110,000,000.00	85,550,000.00
归还具有筹资性质的拆借款	630,000,000.00	
融资服务费	1,287,090.00	4,646,900.65
保证金	19,000,000.00	388,000,000.00
合 计	760,267,090.00	488,296,900.65

## 50. 现金流量表补充资料

## (1) 采用间接法将净利润调节为经营活动现金流量

补充资料	本期金额	上期金额
1.将净利润调节为经营活动现金流量：		
净利润	174,753,906.37	208,373,418.27
加：资产减值准备	235,581.58	-5,554,329.62
信用减值损失	6,677,538.32	
固定资产折旧、油气资产折耗、生产性生物资产	43,333,806.28	10,492,952.65
使用权资产折旧		
无形资产摊销	551,004.85	10,451.86
长期待摊费用摊销	2,360,672.11	2,232,576.72
处置固定资产、无形资产和其他长期资产的损失（收益以“-”号填列）		-303,131.14
固定资产报废损失（收益以“-”号填列）		
公允价值变动损失（收益以“-”号填列）	-38,556,246.25	-183,767,255.91
财务费用（收益以“-”号填列）	108,511,484.84	7,058,322.15
投资损失（收益以“-”号填列）	2,952,768.15	-5,276,045.87
递延所得税资产减少（增加以“-”号填列）	-1,687,140.45	4,436,116.25
递延所得税负债增加（减少以“-”号填列）	5,571,667.00	41,565,881.77
存货的减少（增加以“-”号填列）	854,859,704.16	-624,289,738.44
经营性应收项目的减少（减少以“-”号填列）	-937,267,914.57	-1,583,657,729.89



补充资料	本期金额	上期金额
经营性应付项目的增加（增加以“+”号填列）	-139,302,651.32	407,713,310.27
其他		
经营活动产生的现金流量净额	151,319,555.32	-1,602,974,688.82
2.不涉及现金收支的重大投资和筹资活动：		
债务转为资本		
一年内到期的可转换公司债券		
融资租入固定资产		
3.现金及现金等价物净变动情况：		
现金的期末余额	1,467,673,322.86	1,869,876,008.59
减：现金的期初余额	1,869,876,008.59	1,770,074,629.42
加：现金等价物的期末余额		
减：现金等价物的期初余额		
现金及现金等价物净增加额	-402,202,685.73	99,801,379.17

## (2) 本年支付的取得子公司的现金净额

项 目	金 额
本年发生的企业合并于本年支付的现金或现金等价物	
减：购买日子公司持有的现金及现金等价物	159,037,094.26
其中：重庆市巴南区广渝文化传媒集团有限公司	5,095,614.67
重庆市渝南水利电力工程勘察设计院有限公司	4,127,297.93
重庆渝城水务有限公司	147,698,760.73
重庆市巴南区南丰水力发电有限公司	721,893.71
重庆市巴南区玉滩水力发电有限公司	2,200,691.17
重庆市巴南区微方百货有限公司	824,567.94
重庆市巴南区鑫巴渝五金有限公司	368,268.11
加：以前期间发生的企业合并于本年支付的现金或现金等价物	
取得子公司支付的现金净额	-159,037,094.26
列报于收到其他与投资活动有关的现金	159,037,094.26

## (3) 现金及现金等价物构成

项 目	期末余额	期初余额
1.现金	1,467,673,322.86	1,869,876,008.59
其中：库存现金	1,017,004.47	156,790.86
可随时用于支付的银行存款	1,466,620,904.29	1,869,680,217.73
可随时用于支付的其他货币资金	35,414.50	
可用于支付的存放中央银行款项		
有价证券款项		

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项目	期末余额	期初余额
拆放同业款项		
2. 现金等价物		
其中：三个月内到期的债券投资		
3. 期末现金及现金等价物余额	1,467,673,322.86	1,669,675,008.59
其中：母公司或集团内子公司使用受限制的现金和现金等价物		

## 51、所有权或使用权受到限制的资产

所有权受到限制的资产类型	期末余额	受限原因
货币资金	18,000,300.00	承兑保证金
投资性房地产	87,199,412.00	借款抵押
其他非流动资产-林权	52,053,592.81	借款抵押
其他非流动资产-存单	17,000,000.00	借款质押
其他流动资产-定期存单	110,000,000.00	借款质押
固定资产-房屋建筑物	32,887,860.31	借款抵押
无形资产-停车位经营权	550,215,509.57	借款质押
合 计	876,353,474.69	

## 七、合并范围内的变更

### 1、非同一控制下企业合并

#### (1) 本年发生的非同一控制下企业合并

被购买方名称	股权取得时点	股权取得成本	股权取得比例 (%)	股权取得方式	购买日至年末被购买方的净资产	购买日至年末被购买方的净利润
重庆市巴南区广渝文化传媒有限公司	2021-12-31		100%	无偿划转	3,072,077.86	
重庆市渝南水利电力工程勘察设计院有限公司	2021-12-31		100%	无偿划转	5,441,381.23	
重庆南城水务有限公司	2021-12-31		100%	无偿划转	153,705,803.97	
重庆市巴南区庆丰水力发电有限公司	2021-12-31		100%	无偿划转	1,490,465.27	
重庆市巴南区玉滩水力发电有限公司	2021-12-31		100%	无偿划转	369,362.72	

注：根据重庆市巴南区国有资产管理中心《关于划转部分区级部门和镇街所属国有企业资产的通知》（巴南国资中心〔2021〕186号），将区水利局和区融媒体中心所属5户企业划转至本公司。

## 八、在其他主体中的权益

## 1、在子公司中的权益

## (1) 本公司一级公司的构成

子公司名称	主要经营地	注册地	业务性质	持股比例 (%)		取得方式
				直接	间接	
重庆巴鑫建设有限公司	重庆巴南	重庆巴南	建筑装饰、装修和其他建筑业	100		划转
重庆巴南建设投资有限公司	重庆巴南	重庆巴南	土木工程建筑业	100		划转
重庆巴南公路建设有限公司	重庆巴南	重庆巴南	土木工程建筑业	100		划转
重庆市巴南区乡村文化旅游开发有限公司	重庆巴南	重庆巴南	房地产业	100		划转
重庆市丰润文旅实业开发有限公司	重庆巴南	重庆巴南	建筑装饰、装修和其他建筑业	100		划转
重庆市路通公路工程质量检测有限公司	重庆巴南	重庆巴南	服务业	100		设立
重庆市巴南区广南文化传媒有限公司	重庆巴南	重庆巴南	广播、电视、电影和录音制作业	100		划转
重庆市渝南水利电力工程勘察设计院有限公司	重庆巴南	重庆巴南	科学研究和技术服务业	100		划转
重庆南城水务有限公司	重庆巴南	重庆巴南	水利管理业	100		划转
重庆市巴南区南丰水力发电有限公司	重庆巴南	重庆巴南	水利管理业	100		划转
重庆市巴南区玉滩水力发电有限公司	重庆巴南	重庆巴南	电力、热力生产和供应业	100		划转

## 九、公允价值

## 1、以公允价值计量的资产和负债的期末公允价值

项 目	期末公允价值			
	第一层次公允价值计量	第二层次公允价值计量	第三层次公允价值计量	合计
一、持续的公允价值计量				
（一）投资性房地产				
1. 出租的土地使用权				
2. 出租的建筑物		2,468,489,227.85		2,468,489,227.85
3. 持有并准备增值后转让的土地使用权				
（二）其他权益工具投资			71,340,418.01	71,340,418.01

## 十、关联方及关联交易

## 1、本公司的最终控制方情况

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最终控制方名称	注册地	业务性质	母公司对本公司的持股比例(%)	母公司对本公司的表决权比例(%)
重庆市巴南区国有资产管理中心	重庆巴南区	国家机关	100	100

## 2、本公司的子公司情况

详见附注八、1、在其他主体中的权益。

## 3、其他关联方情况

其他关联方名称	其他关联方与本集团关系
重庆市成昆水利开发有限公司	参股企业

## 4、关联方交易情况

### (1) 关联担保情况

担保方	被担保方	担保金额 (万元)	担保起始日	担保到期日	担保是否 已经履行 完毕
重庆巴洲文化旅游产业集团有限公司	重庆瑞洲建设投资有限公司	120,000.00	2016-8-22	2031-8-21	否
重庆市巴南公路建设有限公司	重庆渝江水务有限公司	10,000.00	2016-12-16	2031-12-15	否
重庆市巴南公路建设有限公司	重庆渝江水务有限公司	20,000.00	2017-2-28	2032-2-27	否
重庆市巴南公路建设有限公司	重庆南城水务有限公司	15,000.00	2019/4/1	2022/3/31	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	15,000.00	2020/4/12	2024/4/11	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	8,000.00	2020/4/20	2022/4/19	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	4,000.00	2020/5/26	2023/5/23	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团有限公司	重庆瑞洲建设投资有限公司	10,000.00	2020/6/6	2024/6/7	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团有限公司	重庆瑞洲建设投资有限公司	15,000.00	2020/6/15	2024/6/15	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	10,000.00	2020/6/23	2022/6/23	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	2,500.00	2020/6/24	2023/6/23	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	30,000.00	2020/6/24	2022/6/24	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	25,000.00	2020/6/28	2022/6/15	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团有限公司	重庆瑞洲建设投资有限公司	25,000.00	2020/6/28	2022/6/28	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团有限公司	重庆瑞洲建设投资有限公司	19,000.00	2020/8/26	2022/8/26	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	20,000.00	2020/9/15	2022/9/15	否



担保方	被担保方	担保金额 (万元)	担保起始日	担保到期日	担保是否 已经履行 完毕
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆瑞洲建设投资有限公司	15,000.00	2020/9/28	2022/9/28	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆瑞洲建设投资有限公司	20,000.00	2020/10/30	2022/10/31	否
重庆市南部新城产业投资集团 有限公司、重庆巴鑫建设有限公 司	重庆瑞洲建设投资有限公司	20,000.00	2020/11/2	2022/11/2	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	50,000.00	2020/11/10	2022/11/10	否
重庆市巴南公路建设有限公司	重庆巴鑫建设有限公司	10,000.00	2020/11/25	2022/11/25	否
重庆市南部新城产业投资集团 有限公司、重庆巴鑫建设有限公 司	重庆瑞洲建设投资有限公司	20,000.00	2020/11/30	2023/11/30	否
重庆市巴南公路建设有限公司	重庆渝江水务有限公司	15,000.00	2020/12/29	2023/12/29	否
重庆市南部新城产业投资集团 有限公司、重庆巴洲文化旅游产 业集团有限公司	重庆瑞洲建设投资有限公司	10,000.00	2020/12/30	2022/12/30	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆瑞洲建设投资有限公司	2,000.00	2021/1/7	2023/1/6	否
重庆巴洲文化旅游产业集团有 限公司	重庆瑞洲建设投资有限公司	10,000.00	2021/1/13	2023/1/13	否
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	2,585.00	2021/1/25	2024/1/24	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆瑞洲建设投资有限公司	20,000.00	2021/1/28	2023/1/28	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆瑞洲建设投资有限公司	13,000.00	2021/1/28	2023/1/27	否
重庆巴洲文化旅游产业集团有 限公司	重庆瑞洲建设投资有限公司	8,000.00	2021/2/9	2024/2/8	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司、重庆巴洲文化旅游产 业集团有限公司	重庆瑞洲建设投资有限公司	11,000.00	2021/3/19	2023/3/19	否
重庆市巴南公路建设有限公司	重庆巴洲文化旅游产业集团 有限公司	20,000.00	2021/3/30	2024/3/15	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团	重庆瑞洲建设投资有限公司	15,000.00	2021/3/31	2022/3/31	否

担保方	被担保方	担保金额 (万元)	担保起始日	担保到期日	担保是否 已经履行 完毕
有限公司					
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆巴洲文化旅游产业集团 有限公司	15,000.00	2021/4/21	2022/4/13	否
重庆市巴南公路建设有限公司	重庆渝江水务有限公司	5,000.00	2021/4/23	2022/4/22	否
重庆市巴南公路建设有限公司	重庆巴洲文化旅游产业集团 有限公司	20,000.00	2021/5/19	2022/5/18	否
重庆巴洲文化旅游产业集团有 限公司	重庆巴鑫建设有限公司	10,000.00	2021/5/20	2022/5/20	否
重庆巴洲文化旅游产业集团有 限公司	重庆源文建设有限公司	130,000.00	2021/5/18	2029/5/17	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆巴洲文化旅游产业集团 有限公司	6,500.00	2021/5/23	2024/5/20	否
重庆市巴南公路建设有限公司、 重庆市南部新城产业投资集团 有限公司	重庆巴洲文化旅游产业集团 有限公司	20,000.00	2021/5/25	2026/7/1	否
重庆市巴南公路建设有限公司	重庆巴洲文化旅游产业集团 有限公司	9,500.00	2021/7/2	2023/7/2	否
重庆市巴南公路建设有限公司、 重庆巴洲文化旅游产业集团有 限公司	重庆巴鑫建设有限公司	40,000.00	2021/7/15	2023/7/15	否
重庆巴洲文化旅游产业集团有 限公司、重庆市南部新城产业投 资集团有限公司	重庆渝江水务有限公司	20,000.00	2021/7/22	2024/7/22	否
重庆市巴南公路建设有限公司、 重庆巴洲文化旅游产业集团有 限公司	重庆渝江水务有限公司	20,000.00	2021/7/26	2023/7/26	否
重庆巴洲文化旅游产业集团有 限公司、重庆市南部新城产业投 资集团有限公司	重庆瑞河建设投资有限公司	20,000.00	2021/8/20	2023/8/20	否
重庆巴洲文化旅游产业集团有 限公司、重庆市南部新城产业投 资集团有限公司	重庆瑞河建设投资有限公司	15,000.00	2021/8/25	2024/8/25	否
重庆市巴南公路建设有限公司	重庆巴洲文化旅游产业集团 有限公司	25,000.00	2021/9/30	2024/10/12	否
重庆巴洲文化旅游产业集团有 限公司、重庆市南部新城产业投 资集团有限公司	重庆巴鑫建设有限公司	20,000.00	2021/12/2	2023/12/2	否
重庆市巴南公路建设有限公司	重庆巴洲文化旅游产业集团 有限公司	20,500.00	2021/12/14	2026/12/14	否

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担保方	被担保方	担保金额 (万元)	担保起始日	担保到期日	担保是否 已经履行 完毕
重庆市巴南公路建设有限公司、 重庆巴南文化旅游产业集团有 限公司	重庆瑞洲建设投资有限公司	27,000.00	2021/12/24	2023/12/23	否
重庆市巴南公路建设有限公司	重庆南城水务有限公司	15,000.00	2019/4/1	2022/3/31	否

#### 5、关联方应收应付款项

其他应付款：	期末余额	期初余额
重庆市成昌水利开发有限公司	320,942.14	
合 计	320,942.14	

### 十一、承诺及或有事项

#### 1、重大承诺事项

截至 2021 年 12 月 31 日，本集团无需要披露的重大承诺事项。

#### 2、或有事项

##### (1) 担保事项

本集团与关联方的担保事项详见附注十、“关联方及关联交易”。

本集团作为担保方的其他担保事项说明：

被担保方	担保金额 (万元)	担保开始日	担保到期日	担保是否已 经履行完毕
重庆市南部新城产业投资集团有限公司	8,000.00	2021/3/12	2023/3/11	否
重庆巴南经济园区建设实业有限公司	34,730.00	2016/6/31	2031/6/30	否
重庆巴南经济园区建设实业有限公司	125,000.00	2017/5/19	2027/5/19	否
重庆公路物流基地建设有限公司	62,900.00	2017/3/16	2027/3/17	否
重庆公路物流基地建设有限公司	200,000.00	2016/4/24	2036/4/25	否
重庆国际生物城开发投资有限公司	10,000.00	2020/1/20	2025/1/19	否
重庆市巴南区鑫土土地整治有限公司	88,000.00	2016/6/21	2026/6/20	否
重庆市成昌水利开发有限公司	20,000.00	2016/4/21	2028/4/20	否
重庆市南部新城产业投资集团有限公司	65,249.00	2020/11/5	2023/10/26	否

### 十二、资产负债表日后事项

截至本报告批准报出日，本集团无需要披露的资产负债表日后事项。

### 十三、其他重要事项

## 1、前期差错更正

### (1) 本公司重要前期差错更正

2020 年本公司收到收重庆市巴南区国有资产管理中心注册资金 1 亿元，误将其中 10,000,000.00 元计入资本公积，应调增 2020 年实收资本 10,000,000.00 元，调减资本公积 10,000,000.00 元。

### (2) 子公司重要前期会计差错更正

2016 年本公司子公司重庆市巴南公路建设有限公司（以下简称巴南公路公司）协助巴南区政府解决巴南环球时代广场及凯川紫依云项目资金问题，借支款项 1.18 亿元给巴南区维稳小组办公室，2018 年收到巴南区维稳小组办公室退回资金 0.53 亿元，2020 年巴南公路公司收到抵偿债务资产（凯川紫依云及环球时代广场房产、车位）并用于出租，但巴南公路公司未将该笔资产入账；应调减 2020 年末其他应收款 65,800,000.00 元，调增 2020 年末投资性房地产 65,800,000.00 元。

巴南公路公司因协助解决巴南环球时代广场及凯川紫依云项目资金问题，无偿获得汪天祥债权 6069 万元，2020 年 3 月巴南公路公司获得部分商业门面及停车位用于抵偿该部分债权，商业门面及停车位评估价值 25,723,373.99 元，商业门面及停车位已用于出租但本公司未将该笔资产入账；应分别调增 2020 年末投资性房地产、营业外收入 25,723,373.99 元，调增应交税费 6,430,843.50 元。

2011 年巴南公路公司南京钟园、花卉园项目受重庆市规划局巴南分局行政处罚，没收 7083 平方米资产，资产评估价值 5000 万元，被没收资产未入账；应调减其他应收款 50,000,000.00 元，调减 2020 年年初未分配利润 50,000,000.00 元。

2020 年巴南公路公司南京钟园、花卉园项目受重庆市巴南区城市管理局行政处罚，没收 8362.8 平方米资产，被没收资产未入账；应调减 2020 年预付款项 45,000,000.00 元，转回 2020 年其他应收款计提减值损失 12,187,372.88 元，调减 2020 年其他应收款 16,445,136.69 元，调增营业外支出 61,445,136.69 元，2020 年资产减值损失转回调整 2020 年递延所得税资产以前年度 3,046,843.22 元；计提资产减值损失 12,146,143.31 元转为实际损失，调减以前年度递延所得税资产 3,036,535.83 元。

### (3) 孙公司重要前期会计差错更正

2020 年本公司孙公司重庆市仙沐苑酒店管理有限公司受重庆市巴南区城市管理局行政处罚，没收 6701.38 平方米资产，被没收资产未入账；应调减 2020 年营业成本 725,172.31 元，调减 2020 年固定资产 44,848,870.99 元，调增营业外支出 45,574,043.30 元。

孙公司重庆巴南保安服务有限公司每年按照外派校园保安职工薪酬月平均工资计提辞退福利，2020 年计提辞退福利 2,770,068.00 元，以前年度计提辞退福利 10,037,179.80 元，应调减 2020 年营业成本 2,770,068.00 元，调增以前年度未分配利润 10,037,179.80 元。

对 2020 年 12 月 31 日合并报表影响

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项目	更正前	调整当期金额	调整前期金额	更正后
预付款项	150,169,205.98	-45,000,000.00		105,169,205.98
其他应收款	1,394,335,164.65	-70,057,763.81	-50,000,000.00	1,274,277,420.84
固定资产	97,310,708.75	-44,848,870.99		52,461,837.76
投资性房地产	1,882,352,953.64	91,523,373.89		1,973,876,327.53
递延所得税资产	7,750,628.15	-3,046,843.22	-3,036,535.83	1,667,250.10
应交税费	494,382,567.83	6,430,843.50		500,813,411.33
应付职工薪酬	31,733,175.63	-2,770,068.00	-10,037,179.80	18,925,927.83
实收资本	100,000,000.00	10,000,000.00		110,000,000.00
资本公积	9,805,235,142.35	-10,000,000.00		9,795,235,142.35
盈余公积	179,911,730.01	-3,301,207.86	-5,303,653.58	171,306,868.77
未分配利润	1,500,292,316.03	-75,090,879.53	-42,999,356.03	1,382,202,080.47
归属于母公司所有者权益合计	11,668,758,446.99	-75,090,879.53	-42,999,356.03	11,750,668,211.43
所有者权益合计	11,881,721,001.84	-75,090,879.53	-42,999,356.03	11,763,630,766.28
营业成本	2,901,665,031.71	-3,435,240.31	-10,037,179.80	2,898,189,791.40
资产减值损失	-6,593,043.25	12,187,372.88		5,594,329.62
营业外收入	6,597,385.72	25,723,373.99		34,320,759.71
营业外支出	20,786,287.79	107,019,179.99	50,000,000.00	127,805,467.78
所得税费用	81,267,821.54	9,477,685.72	-3,036,535.83	90,745,508.26
净利润	281,464,297.50	-75,090,879.53	-53,036,535.83	208,373,418.27
归属于母公司的净利润	281,204,908.38	-75,090,879.53	-53,036,535.83	208,114,028.85

## 对 2020 年 12 月 31 日公司报表影响

项目	更正前	当期调整金额	更正后
实收资本	100,000,000.00	10,000,000.00	110,000,000.00
资本公积	11,554,043,622.14	-10,000,000.00	11,554,043,622.14

## 十四、母公司会计报表的主要项目附注

## 1、 应收账款

## (1) 应收账款按账龄披露

账 龄	期末金额	期初余额
一年以内	2,191.50	
小 计	2,191.50	
减：坏账准备		
合 计	2,191.50	

## (2) 应收账款按坏账计提方法分类列示

种 类	期末余额				
	账面余额		坏账准备		账面价值
	金额	比例(%)	金额	计提比例(%)	
单项计提坏账准备的应收账款					
按组合计提坏账准备的应收账款	2,191.50	100.00			2,191.50
组合1	2,191.50	100.00			2,191.50
合 计	2,191.50	100.00			2,191.50

## (3) 组合中采用组合1计提坏账准备的应收账款

组合名称	期末余额		
	账面余额	计提比例(%)	坏账准备
组合1	2,191.50		
合 计	2,191.50		

## 2、其他应收款

## (1) 其他应收款分类

项 目	期末余额	期初余额
应收利息		
应收股利		
其他应收款	2,891,694,194.55	532,137,276.02
合 计	2,891,694,194.55	532,137,276.02

## (2) 其他应收款

## ①其他应收账款按账龄披露

账 龄	期末余额	期初余额
一年以内	2,891,694,194.55	532,137,276.02
小 计	2,891,694,194.55	532,137,276.02
减：坏账准备		
合 计	2,891,694,194.55	532,137,276.02

## ②其他应收款按款项性质分类情况

款项性质	期末余额	期初余额
政府单位往来	26,483,000.00	
关联方往来款项	2,831,403,457.23	531,637,276.02
非关联方往来款项		500,000.00
资金拆借	1,300,000.00	
保证金	32,425,000.00	

款项性质	期末余额	期初余额
其他	130,520.32	
小计	2,891,741,977.55	532,137,276.02
减：坏账准备	47,783.00	
合计	2,891,694,194.55	532,137,276.02

## ③其他应收款坏账准备计提情况

坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来 12 个月预期信用损失	整个存续期预期信用损失 (未发生信用减值)	整个存续期预期信用损失 (已发生信用减值)	
年初余额				
年初账面余额在本年：				
——转入第二阶段				
——转入第三阶段				
——转回第二阶段				
——转回第一阶段				
本年计提	47,783.00			47,783.00
本年转回				
本年转销				
其他变动				
年末余额	47,783.00			47,783.00

## ④其他应收款金额前五名单位情况

单位名称	款项性质	年末余额	账龄	占其他应收款 总额的比例(%)	坏账准备 年末余额
重庆玉巴蜀公路建设有限公司	关联方往来款项	817,172,957.22	1 年以内	28.28	
重庆瑞洲建设投资有限公司	关联方往来款项	1,215,004,700.00	1 年以内	42.02	
重庆巴蜀建设有限公司	关联方往来款项	60,896,000.00	1 年以内	2.11	
重庆木洞文旅实业开发有限公司	关联方往来款项	485,759,500.00	1 年以内	16.60	
重庆巴蜀建设投资有限公司	关联方往来款项	262,470,000.00	1 年以内	8.73	
合计		2,631,403,457.23		97.92	

## 3、长期股权投资

## (1) 长期股权投资分类



项 目	期末余额			期初余额		
	账面余额	减值准备	账面价值	账面余额	减值准备	账面价值
对子公司投资	11,785,867,235.29		11,785,867,235.29	10,511,788,145.14		10,511,788,145.14
对联营、合营企业投资						
合 计	11,785,867,235.29		11,785,867,235.29	10,511,788,145.14		10,511,788,145.14

## (2) 对子公司投资

被投资单位	期初余额	本期增加	本期减少	期末余额	本年计提减值准备	减值准备年末余额
重庆市巴南公路建设有限公司	8,480,683,402.38			8,480,683,402.38		
重庆巴南建设投资有限公司	1,479,732,189.97			1,479,732,189.97		
重庆巴鑫建设有限公司	305,899,285.37	500,000,000.00		805,899,285.37		
重庆市巴南区乡村文化旅游开发有限公司	136,018,151.73	100,000,000.00		236,018,151.73		
重庆市木洞文旅实业开发有限公司	109,455,115.69	510,000,000.00		619,455,115.69		
重庆市渝南水利电力工程勘察设计院有限公司		5,441,381.23		5,441,381.23		
重庆南城水务有限公司		153,705,803.07		153,705,803.07		
重庆市巴南区南丰水力发电有限公司		1,490,465.27		1,490,465.27		
重庆市巴南区广渝文化传媒有限公司		3,072,077.86		3,072,077.86		
重庆市巴南区玉滩水力发电有限公司		369,362.72		369,362.72		
合 计	10,511,788,145.14	1,274,079,060.15		11,785,867,235.29		

## 4、营业收入、营业成本

## (1) 营业收入、营业成本

项 目	本期发生额		上期发生额	
	收入	成本	收入	成本
其他业务	921,478.58	527,414.96		
租金收入	600,139.34			
停车费收入	321,339.24	527,414.96		
合 计	921,478.58	527,414.96		

## 5、投资收益

## (1) 投资收益明细情况

产生投资收益的来源	期末余额	期初余额
理财产品到期投资收益	488,693.71	526,000.00
	488,693.71	526,000.00



法定代表人：

主管会计工作负责人：

会计机构负责人：



# 营业执照

(副本)

统一社会信用代码  
914201060819786083

扫描二维码登录  
“国家企业信用  
信息公示系统”  
了解更多登记、  
备案、许可、监  
管信息。



名称 中审众环会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

执行事务合伙人 石文先; 管云

成立日期 2013年11月06日

合伙期限 长期

主要经营场所 武汉市武昌区东湖路169号2-9层

**经营范围** 审查企业会计报表,出具审计报告;验证企业资本,出具验资报告;办理企业合并、分立、清算事宜中的审计业务,出具有关报告;基本建设年度财务审计、基本建设决(结)算审核;法律、法规规定的其他业务;代理记账;会计咨询、税务咨询、管理咨询、会计培训。(依法须经批准的项目,经相关部门批准后方可开展经营活动)

登记机关



2021 年 10 月 28 日

证书序号: 0002385

说明

1. 《会计师事务所执业证书》是证明持证人经财政部门依法审批, 准予执行注册会计师法定业务的凭证。
2. 《会计师事务所执业证书》记载事项发生变更的, 应当及时向财政部门申请换发。
3. 《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
4. 会计师事务所禁止或执业许可注销的, 应当到财政部门交还《会计师事务所执业证书》。



会计师事务所  
执业证书



名称: 中审众环会计师事务所(特殊普通合伙)  
首席合伙人: 石文亮  
主任会计师:  
经营场所: 武汉市武昌区东湖路169号219层

组织形式: 特殊普通合伙  
执业证书编号: 430100005  
批准执业文号: 鄂财会发(2013)25号  
批准执业日期: 2013年10月28日



中华人民共和国财政部制



年度检验登记  
Annual Renewal Registration

本证书检验合格,继续有效一年。  
This certificate is valid for another year after  
this renewal.



供查证书有效性



姓名: 王...  
性别: 男  
出生日期: 19...  
身份证号: ...  
手机号码: ...  
电子邮箱: ...  
联系地址: ...



证书有效期: 2021年3月11日至2022年3月11日

重庆市注册会计师协会

重庆中审亚太会计师事务所(普通合伙)  
重庆中审亚太会计师事务所(普通合伙)  
重庆中审亚太会计师事务所(普通合伙)  
重庆中审亚太会计师事务所(普通合伙)

重庆中审亚太会计师事务所  
重庆中审亚太会计师事务所

2023年9月4日

重庆中审亚太会计师事务所  
重庆中审亚太会计师事务所  
2023年9月16日





姓名: 崔恒银  
 Full name: 男  
 Sex: 1986-11-20  
 Date of birth: 中审众环会计师事务所(特殊普通合伙)重庆分所  
 Working unit: 320981188611204730  
 Identity card No:



## 年度检验登记 Annual Renewal Registration

本证书经检验合格,继续有效一年。  
 This certificate is valid for another year after this renewal.



供查证书有效性

420100050254

证书编号:  
No. of Certificate

重庆市注册会计师协会

批准注册协会:

Authorized Institute of C 2017

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发证日期:  
Date of Issuance

年

月

日

证书有效期:  
 2021年3月31日-2022年3月31日  
 年检专用章



重庆市注册会计师协会制

# 重庆市注册会计师协会文件

渝会协（2022）29号

## 关于对重庆市2021年度任职资格检查合格 注册会计师执业资格暂时延续的公告

因中国注册会计师协会统一安排，重庆市注册会计师2022年度任职资格检查工作将延期进行。按照《中华人民共和国注册会计师法》及相关规定，注册会计师任职资格检查周期为一年，2021年度我会对注册会计师任职资格检查时间统一登记为2021年3月31日，现对2021年度任职资格检查合格的重庆市注册会计师执业资格延续至2022年度任职资格检查工作开展前持续有效。

特此公告。



重庆市注册会计师协会

2022年3月31日印发

**Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.**

**2020 REPORT OF THE AUDITORS**

**APBSZ2021-01110143**

**Asia Pacific (Group) CPAs (Special General Partnership)**



## CATALOGUE

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### **Responsibility for the use of audit reports**

The audit report of Yakui Shenzi (2021) No. 01110143 is only used by the client and the third party submitted by it for the purpose of auditing as stated in the " Audit Engagement Letter " in this report. The consequences of improper use by the client and a third party have nothing to do with the certified public accountant and his firm.

Asia Pacific (Group) CPAs (Special General Partnership)



April 20, 2021





Asia Pacific (Group) CPAs (Special General Partnership)  
Room 18, 17th Road, Fengta District, Beijing, China  
20th Floor, Lujia Financial Building  
Postal code 100073  
Telephone +86-10 84715612  
Fax +86-10 85312388  
www.apag.cn CN

## REPORT OF THE AUDITORS

APBSZ2021-01110143

**TO ALL SHAREHOLDERS OF CHONGQING BAZHOU  
CULTURAL TOURISM INDUSTRY GROUP CO., LTD.:**

### **1. Audit Opinion**

We have audited the accompanying financial statements of Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (hereinafter referred to as the "Bazhou Cultural Tourism Group"), which comprise:

the consolidated and company balance sheets as at 31 December 2020;

- the consolidated and company income statements for the year then ended;
- the consolidated and company cash flow statements for the year then ended;
- the consolidated and company statements of changes in shareholders' equity for the year then ended; and
- notes to the financial statements

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of Bazhou Cultural Tourism Group as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with the requirements of the Accounting Standards for Business Enterprises ("CASs").

### **2. Basis for Opinion**

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Bazhou Cultural Tourism Group in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

### **3.Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management of Bazhou Cultural Tourism Group is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing Bazhou Cultural Tourism Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Bazhou Cultural Tourism Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Bazhou Cultural Tourism Group's financial reporting process.

### **4.Auditor' s Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chinese Certified Public Accountant



Chinese Certified Public Accountant

Beijing, China  
April 20, 2021

# CONSOLIDATED BALANCE SHEET

31 December 2020

Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020-12-31	2019-12-31
<b>Current Assets:</b>			
Bank balances and cash	VI.1	2,353,526,068.59	1,816,074,839.42
Settlements Provision			
Loans to banks and other financial institutions			
Financial assets at fair value through profit and loss			
Derivative financial assets			
Notes receivable	VI.2		1,086,000.00
Accounts receivable	VI.3	3,089,027,611.45	730,091,262.29
Prepayments	VI.4	150,169,705.98	62,928,217.87
Insurance premium receivable			
Due from reinsurers			
Reinsurance contract assets receivable			
Other receivable	VI.5	1,104,335,154.65	2,190,351,394.77
Financial assets purchased under agreements to resell			
Inventories	VI.6	12,479,072,233.95	11,954,783,493.51
Assets classified to held for sale			
Non-current asset due within one year			
Other current assets	VI.7	57,188,868.73	61,897,192.64
<b>Total current assets</b>		<b>19,503,519,113.35</b>	<b>16,797,026,592.50</b>
<b>Non-current assets:</b>			
Loans and advances			
Available-for-sale financial assets	VI.8	38,970,000.00	38,970,000.00
Held-to-maturity investment			
Long-term receivables	VI.9	134,606,697.98	60,544,697.86
Long-term equity investment			
Investment properties	VI.10	1,882,352,953.64	1,562,517,978.09
Fixed assets	VI.11	97,310,308.75	89,041,273.80
Construction in progress	VI.12	369,768,905.98	517,857,919.89
Biological assets			
Oil and gas assets			
Intangible assets	VI.13	6,771.30	17,235.26
Development expenditure			
Goodwill			
Long-term unamortized expenses	VI.14	4,503,529.08	6,736,205.80
Deferred income tax assets	VI.15	7,750,629.15	6,103,368.24
Other non-current assets	VI.16	9,323,927,322.95	8,078,375,561.33
<b>Total non-current assets</b>		<b>11,759,197,520.82</b>	<b>10,159,963,234.87</b>
<b>Total assets</b>		<b>31,262,716,634.17</b>	<b>26,956,989,827.37</b>

(Attached notes to statements are part of the consolidated financial statements)

Legal representative:

Chief Financial Officer:

Head of Financial Sections:

# CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2020

Chongqing Haxhou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020-12-31	2019-12-31
<b>Current liabilities:</b>			
Short-term borrowings	VI 17	465,950,000.00	239,000,000.00
Borrowing from the central bank			
Customer deposits and balances from banks and other financial institutions			
Deposits and balances from banks and other financial institutions			
Financial liabilities at fair value through profit and loss			
Derivative financial liabilities			
Notes payable	VI 18	568,000,000.00	132,880,000.00
Accounts payable	VI 19	936,716,100.83	214,159,220.77
Receipts in advance	VI 20	1,473,830,996.21	936,683,716.43
Financial assets sold under agreements to buy			
Fees and commission payable			
Employee benefits payables	VI 21	31,733,175.63	24,565,101.39
Tax payable	VI 22	494,342,567.83	378,690,294.21
Other payable	VI 23	3,546,833,712.25	4,858,461,090.94
Payable reinsurance			
Insurance reserves			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Items classified to be held for sale but listed in disposition plan			
Non-current liabilities repayable within one year	VI 24	3,058,580,552.94	1,102,186,000.00
Other current liabilities			
<b>Total current liabilities</b>		<b>10,625,666,117.73</b>	<b>7,253,748,423.65</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	VI 25	3,745,615,668.43	5,987,492,800.00
Bonds payable	VI 26	1,860,935,276.35	2,009,609,657.17
Including: preferred shares			
perpetual bonds			
Long-term payables	VI 27	2,935,957,657.09	1,712,342,287.83
Long-term employee benefits payables			
Provisions			
Deferred income	VI 28	2,500,671.15	
Deferred income tax liabilities	VI 29	210,294,241.50	168,727,259.73
Other non-current liabilities	VI 29		303,000,000.00
<b>Total non-current liabilities</b>		<b>8,555,329,514.60</b>	<b>8,181,020,599.68</b>
<b>Total liabilities</b>		<b>19,180,995,632.33</b>	<b>15,434,769,023.33</b>
<b>Shareholders' equity:</b>			
Paid-up Capital	VI 30	100,000,000.00	10,000,000.00
Other equity instruments			
Including: preferred shares			
perpetual bonds			
Capital reserve	VI 31	9,805,235,142.35	9,795,235,142.35
Treasury share			
Other comprehensive income	VI 32	465,230,955.61	505,240,955.61
Special reserves			
Surplus reserves			
General Risk Preparation			
Undistributed profits	VI 33	1,500,292,316.01	1,241,051,507.65
<b>Total equity attributable to shareholders of the Company</b>		<b>11,868,758,446.99</b>	<b>11,509,517,633.61</b>
Minority interests		12,962,554.85	12,793,165.43
<b>Total shareholders' equity</b>		<b>11,881,721,001.84</b>	<b>11,522,320,804.04</b>
<b>Total liabilities and shareholders' equity</b>		<b>31,062,716,634.17</b>	<b>26,956,989,827.37</b>

(Attached notes to statements are part of the consolidated financial statements)

Legal representatives

Chief Financial Officer

Head of Financial Section



# CONSOLIDATED INCOME STATEMENT

2020

Chongqing Buzhou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020	2019
I. Total operating revenue		3,118,804,508.16	2,840,574,568.44
including operating revenue	VI 34	3,118,804,508.16	2,840,574,568.44
II. Total operating cost		2,991,763,158.45	1,712,683,461.93
including Cost of operation	VI 34	2,991,665,031.71	1,318,566,210.82
Taxes and surcharges	VI 35	13,462,629.20	3,844,109.93
Selling expenses	VI 35	5,077,080.08	6,086,716.39
Administrative expenses	VI 37	67,871,145.81	74,329,033.58
Research and development expenses			
Financial expenses	VI 38	1,681,270.72	6,057,387.19
including Interest expenses		3,088,322.15	5,997,759.97
Interest income		5,491,655.84	7,283,381.67
Add: Other income	VI 39	85,976,283.14	108,624,320.92
Investment income (Loss represented in "-" signs)	VI 40	5,376,045.87	3,171,668.87
including Share of profit (Loss) in associates and jointly controlled entity			
Exchange gains (Loss represented in "-" signs)			
Gain (Loss) on fair value changes (Loss represented in "-" signs)	VI 41	163,797,251.91	1,611,350.21
Impairment loss for assets (Loss represented in "-" signs)	VI 42	-6,593,043.26	-12,824,102.37
Assets disposal income (Loss represented in "-" signs)	VI 43	303,171.11	64,463.87
III. Operating profit (Loss represented in "-" signs)		254,921,621.41	230,189,389.02
Add Non-operating income	VI 44	8,577,385.72	26,814,950.71
Less Non-operating expenses	VI 45	20,746,287.74	13,068,779.20
IV. Total Profit (Loss)		242,752,719.39	243,935,560.53
Less Income tax expenses	VI 46	81,267,521.54	28,859,358.11
V. Net profit (Loss)		261,485,197.80	208,141,512.18
I. Net profit classified by going concern			
1. Net profit from continuing operations (Loss represented in "-" signs)		261,485,197.80	208,141,512.18
2. Net profit from discontinuing operations (Loss represented in "-" signs)			
II. Net profit classified by ownership			
1. Net profit attributable to parent company (Loss represented in "-" signs)		261,204,905.38	208,819,334.69
2. Net profit attributable to minority interests (Loss represented in "-" signs)		280,292.42	1,322,177.49
VI. Other comprehensive income, net of tax			
I Other comprehensive income to shareholders of the Company, net of tax			
II Other comprehensive income attributable to minority interests net of tax			
VII. Total comprehensive income		261,485,197.80	208,141,512.18
Attributable to shareholders of the Company		261,204,905.38	208,819,334.69
Attribute to minority interests		280,292.42	1,322,177.49

(Attached notes to statements are part of the consolidated financial statements)

Legal representative:

Chief Financial Officer

Head of Financial Section

# CONSOLIDATED CASH FLOW STATEMENT

2020

Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020	2019
<b>I. Cash flows from operating activities</b>			
Cash received from sales of goods and rendering of services		805,384,407.51	1,699,556,670.12
Refund of taxes and levies		1,650,790.59	
Other cash receipts relating to operating activities		8,746,597,870.95	6,064,283,048.79
Sub-total of cash inflows from operating activities		9,554,133,069.05	7,763,839,718.91
Cash paid for goods and services		2,817,311,870.42	1,211,897,698.26
Cash paid to and on behalf of employees		181,849,895.12	175,941,071.74
Payments of taxes and levies		139,597,054.51	46,036,650.23
Other cash payments relating to operating activities		8,018,348,337.82	5,219,560,586.58
Sub-total of cash outflows from operating activities		11,157,107,157.87	6,653,436,006.81
Net cash flows from operating activities		-1,602,974,088.82	1,110,403,712.10
<b>II. Cash flows from investing activities</b>			
Cash received from investments			61,000,000.00
Cash received from returns on investments		4,793,974.85	3,121,666.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		384,512.98	64,163.87
Net cash received from disposal of subsidiaries and other operating units			
Other cash receipts relating to investing activities		106,000,000.00	39,724,800.27
Sub-total cash inflows from investing activities		111,179,487.83	103,910,931.01
Cash paid to acquire fixed assets, intangible assets and other long-term assets		336,193,213.47	59,021,869.37
Cash paid on investments			
Net increase in secured loans			465,062,500.00
Net cash paid on acquisition of subsidiaries and other operating units			
Other cash payments relating to investing activities		88,000,000.00	37,500,000.00
Sub-total cash outflows from investing activities		424,193,213.47	561,584,369.37
Net cash flows used in investing activities		-313,014,725.64	-457,673,438.36
<b>III. Cash flows from financing activities</b>			
Cash received from financing		100,000,000.00	1,116,800,000.00
Including: Cash received by subsidiaries from investment from minority shareholders			
Cash received from borrowings		4,756,916,845.10	1,564,870,000.00
Cash received from issuing bonds		1,649,700,000.00	467,092,000.00
Cash received from other financing activities		25,030,000.00	
Sub-total cash inflows from financing activities		6,531,646,845.10	3,148,762,000.00
Cash payments for settlement of borrowings		3,320,416,526.76	1,618,436,000.00
Cash payments for interest expenses, distribution of dividend or interests		707,143,424.06	457,343,161.53
Including: cash payments for distribution of dividends and profit by subsidiaries to minority shareholders			
Other cash payments relating to financing activities		488,296,900.65	257,164,984.07
Sub-total cash outflows from financing activities		4,515,856,851.47	2,332,944,145.60
Net cash flows from financing activities		2,015,789,993.63	815,817,854.40
<b>IV. Effect of foreign exchange rate changes</b>			
<b>V. Net Increase in cash and cash equivalents</b>	VI.47	99,801,179.17	1,468,548,128.14
Add: Cash and cash equivalents at beginning of year		1,770,074,829.42	301,526,701.28
<b>VI. Cash and cash equivalents at end of year</b>		1,869,876,008.59	1,770,074,829.42

(Attached notes to statements are part of the consolidated financial statements)

Legal representatives

Chief Financial Officers

Head of Financial Sections

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2020

Shanghai Shengyu Cultural Tourism Industry Group Co., Ltd.

RMB

Item	Attributable to Shareholders of the Company										Minority Interests	Total Shareholders' Equity
	Public Capital	Preferred shares	Other Equity Instruments	Capital Reserve	Loan Reserve	Other Comprehensive Income	Special Reserve	Surplus Reserve	Investment Income	Subsidy		
1. Balance at the end of the year	1,000,000,000.00			2,799,273,143.75		461,716,786.61				8,201,001,407.34	17,961,460.41	11,872,292,944.41
2. Changes in the year												
(1) Issuance of new shares												
(2) Issuance of new shares												
(3) Issuance of new shares												
(4) Issuance of new shares												
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(99) Issuance of new shares												
(100) Issuance of new shares												

Additional items in parentheses are part of the consolidated financial statements

Unit of thousands of Yuan

Chief Financial Officer

Legal Representative

# **CONSOLIDATED STATEMENT OF CHANGES IN SHARE HOLDERS' EQUITY (CONTINUED)**

2016

Chongqing Beihuan Chemical Therapeutic Industry Group Co., Ltd.

RMB

Items	Attributable to shareholders of the Company											Minority Interest	Total shareholders' equity
	Paid-in Capital	Other Equity Instruments		Capital Reserve	Legal Reserve	Surplus reserve	Special reserves	General Risk Provisions	Undivided profits	Sub-total			
		Preferred stock	Payable Bonds								Others		
I. Balance at the end of last year	10,000,000.00			9,195,318,474.22	240,108,326.19				1,016,161,672.96	1,001,451,650.97	13,197,909.07	11,508,838,577.04	
Add: Changes in accounting policy													
Correction of previous years													
Others													
II. Balance at beginning of year	10,000,000.00			9,195,318,474.22	240,108,326.19				1,016,161,672.96	1,001,451,650.97	13,197,909.07	11,508,838,577.04	
III. Movement of this year (Others)				-1,279.87	225,122,401.83				208,546,874.49	421,000,017.64	-4,674,541.64	421,351,574.00	
(1) Total comprehensive income									208,546,874.49	236,286,364.69	8,922,177.49	208,413,512.18	
(2) Contribution from shareholders													
1 Issuance of equity securities													
2 Issuance from holders of share equity securities													
F Share-based payments included in the income of noncontrolling equity													
a Others													
(3) Profit appropriations									-1,872,500.00	-1,872,500.00		-1,872,500.00	
1 Extract from surplus reserve													
2 Extract from general reserve													
3 Distribution to holders (or shareholders)													
4 Others													
(4) Net profit transfer of shareholders' equity									-1,872,500.00	-1,872,500.00		-1,872,500.00	
1 Transfer of capital reserve to share equity													
2 Transfer of surplus reserve to share equity													
3 Surplus reserve to corporate deficit													
4 Change amount of defined benefit plan (net long term benefit)													
5 Others													
(5) Special reserve													
1 Extract this year													
2 Usage this year													
(6) Others													
IV. Balance at end of year	10,000,000.00			9,195,318,462.35	223,122,401.82				1,204,061,907.45	11,549,471,638.61	12,951,861.45	17,522,220,564.04	

(Attached tables in annexes are part of the consolidated financial statements)

Legal representative:

Chief Financial Officer:

Head of Financial Section:

# PARENT COMPANY'S BALANCE SHEETS

31 December 2020

Chongqing Ruzhou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020-12-31	2019-12-31
<b>Current Assets:</b>			
Bank balances and cash		1,887,491.89	382,804.24
Financial assets at fair value through profit and loss			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Prepayments			
Other receivable		532,137,276.02	354,348,323.78
Inventories			
Assets classified to held for sale			
Non-current asset due within one year			
Other current assets		28,301.89	
<b>Total current assets</b>		<b>534,053,069.80</b>	<b>354,731,128.02</b>
<b>Non-current assets:</b>			
Available-for-sale financial assets			
Held-to-maturity investment			
Long-term receivables			
Long-term equity investment	XIII.1	10,511,788,145.14	
Investment properties			
Fixed assets			
Construction in progress			
Biological assets			
Oil and gas assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets			
Other non-current assets		1,362,117,977.00	1,362,117,977.00
<b>Total non-current assets</b>		<b>11,873,906,122.14</b>	<b>1,362,117,977.00</b>
<b>Total assets</b>		<b>12,407,959,191.94</b>	<b>1,716,849,105.02</b>

(Attached notes to statements are part of the consolidated financial statements)

Legal representative:

Chief Financial Officer:

Head of Financial Section:

## PARENT COMPANY'S BALANCE SHEETS (CONTINUED)

31 December 2020

Chongqing Baidou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020-12-31	2019-12-31
<b>Current liabilities:</b>			
Short-term borrowings		100,000,000.00	
Financial liabilities at fair value through profit and loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		500,000.00	
Receipts in advance			
Employer benefits payables			
Tax payable			
Other payable		641,589,800.00	664,780,000.00
Items classified to be held for sale liabilities as disposition group			
Non-current liabilities repayable within one year			
Other current liabilities			
<b>Total current liabilities</b>		<b>744,089,800.00</b>	<b>664,780,000.00</b>
<b>Non-current liabilities</b>			
Long-term borrowings			
Bonds payable			
Including: preferred shares			
perpetual bonds			
Long-term payables			
Long-term employee benefits payables			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
<b>Total non-current liabilities</b>			
<b>Total liabilities</b>		<b>744,089,800.00</b>	<b>664,780,000.00</b>
<b>Shareholders' equity:</b>			
Share capital		100,000,000.00	100,000,000.00
Other equity instruments			
Including: preferred shares			
perpetual bonds			
Capital reserve		11,564,043,622.14	1,042,255,477.00
Less: treasury share			
Other comprehensive income			
Special reserves			
Surplus reserves			
Undistributed profits		-174,230.20	-136,371.98
<b>Total owners' equity</b>		<b>11,663,869,391.94</b>	<b>1,052,069,105.02</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,487,959,191.94</b>	<b>1,716,849,105.02</b>

(Attached notes to statements are part of the consolidated financial statements)

Legal representative:

Chief Financial Officer:

Head of Financial Section:



# PARENT COMPANY'S INCOME STATEMENTS

2020

Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020	2019
<b>I. Total operating revenue</b>			
Less: Cost of operation			
Taxes and surcharges			
Selling expenses			
Administrative expenses		854,968.12	3,000.00
Research and development expenses			
Finance expenses		-41,109.89	317.68
Including: Interest expense			
Interest income			
Add: Other income		826,000.00	559,356.75
Investment income (Loss represented by "-" signs)			
Including: Share of profit (loss) in associates and jointly controlled entity			
Gain (loss) on fair value changes			
Impairment loss for assets			
Assets disposal income			
<b>II. Operating profit (Loss represented by "-" signs)</b>		12,141.78	556,039.05
Add: Non-operating income			
Less: Non-operating expenses			
<b>III. Total Profit (Loss)</b>		12,141.78	556,039.05
Less: Income tax expenses			
<b>IV. Net profit (Loss)</b>		12,141.78	556,039.05
I. Net profit classified by going concern			
II. Net profit classified by discontinued			
<b>V. Other comprehensive income to shareholders of the Company, net of tax</b>			
(1) Items cannot be classified in profit and loss in future periods			
1. Remeasure and define benefit plan net debt or net assets changes			
2. The share of other comprehensive income owned when the invested entity cannot be reclassified into the profit and loss afterwards under equity methods			
(2) Items can be classified to profit and loss when qualified in the future periods			
1. The share of other comprehensive income owned when the invested entity can be reclassified into the profit and loss afterwards under equity methods			
2. Available for sale financial assets fair value change profit and loss			
3. Held to maturity investment reclassified as available for sale financial assets profit and loss			
4. Effective part of cash flow hedging profit and loss			
5. Exchange difference on translation of financial statement in foreign currency			
6. Others			
<b>VI. Total comprehensive income</b>		12,141.78	556,039.05

(Attached notes to statements are part of the consolidated financial statements)

Legal representatives

Chief Financial Officer

Head of Financial Section

# PARENT COMPANY'S CASH FLOW STATEMENTS

2020

Chongqing Baohou Cultural Tourism Industry Group Co., Ltd.

RMB

Items	Notes	2020	2019
<b>I. Cash flows from operating activities</b>			
Cash received from sales of goods and rendering of services			
Refund of taxes and levies			
Other cash receipts relating to operating activities		725,163,268.89	1,004,443,316.22
Sub-total of cash inflows from operating activities		725,163,268.89	1,004,443,316.22
Cash paid for goods and services			
Cash paid to and on behalf of employees			
Payments of taxes and levies			
Other cash payments relating to operating activities		917,729,025.67	684,862,750.73
Sub-total of cash outflows from operating activities		917,729,025.67	684,862,750.73
Net cash flows from operating activities		-192,565,756.78	319,580,565.49
<b>II. Cash flows from investing activities</b>			
Cash received from investments		59,000,000.00	61,000,000.00
Cash received from returns on investments		826,000.00	339,156.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Other cash receipts relating to investing activities			
Sub-total cash inflows from investing activities		59,826,000.00	61,339,156.71
Cash paid to acquire fixed assets, intangible assets and other long-term assets			
Cash paid on investments		59,000,000.00	380,862,500.00
Other cash payments relating to investing activities			
Sub-total cash outflows from investing activities		59,000,000.00	380,862,500.00
Net cash flows used in investing activities		826,000.00	-319,523,343.29
<b>III. Cash received from financing</b>			
Cash received from borrowings		100,000,000.00	
Cash received from issuing bonds		100,000,000.00	
Cash received from other financing activities			
Sub-total cash inflows from financing activities		200,000,000.00	
Cash payments for settlement of borrowings			
Cash payments for interest expenses, distribution of dividend or interests		6,755,555.57	
Other cash payments relating to financing activities			
Sub-total cash outflows from financing activities		6,755,555.57	
Net cash flows from financing activities		193,244,444.43	
<b>IV. Effect of foreign exchange rate changes</b>			
<b>V. Net increase in cash and cash equivalents</b>		1,524,687.65	379,622.32
Add: Cash and cash equivalents at beginning of year		387,894.24	3,181.92
<b>VI. Cash and cash equivalents at end of year</b>		1,867,491.89	382,804.24

(Attached notes to statements are part of the consolidated financial statements)

Legal representative:

Chief Financial Officer:

Head of Financial Section:

# PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2020

Chongqing Baotian Cultural Tourism Industry Group Co., Ltd.

Items	Paid-in Capital	Other Equity Instruments			Capital Reserve	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
		Preferred stock	Perpetual Bonds	Others							
I. Balance at the end of last year	10,000,000.00				1,043,255,477.00					-186,371.96	1,052,868,109.04
Add: changes in accounting policy											
Correction of previous years											
Others											
II. Balance at beginning of year	10,000,000.00				1,043,255,477.00					-186,371.96	1,052,868,109.04
III. Movement of the year (Minus represented by "-", sign)	90,000,000.00				10,321,783,145.14					12,141.78	10,811,800,249.92
(4) Total comprehensive income										12,141.78	12,141.78
(4) Contribution from shareholders and reduction of	90,000,000.00										90,000,000.00
1. Injection of ordinary shares from shareholders	90,000,000.00										90,000,000.00
2. Injection from holders of other equity instruments											
3. Share-based payment included in the amount of											
4. Others											
(4) Profits appropriation					10,321,783,145.14						10,321,783,145.14
1. Extract from surplus reserve											
2. Extract from general risk reserve											
3. Distribution to holders for shareholders											
4. Others					10,321,783,145.14						10,321,783,145.14
(4) Internal transfer of shareholders' equity											
1. Transfer of capital reserve to share capital											
2. Transfer of surplus reserve to share capital											
3. Surplus reserve to compensate deficit											
4. Change amount of defined benefit plans that carry forward retained earnings											
5. Others											
(4) Special reserve											
1. Extract this year											
2. Usage this year											
(4) Others											
IV. Balance at end of year	100,000,000.00				31,364,047,622.14					-174,230.20	11,463,868,391.94

(Attached notes to statements are part of the consolidated financial statements)

Legal representative:

Chief Financial Officer:

Head of Financial Section:

# PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

2020

ഭാഗ്യവാൻ ഫാർമസ് കമ്പനി ലിമിറ്റഡ് (Incorporated in India)

Items	2020					2019					Total shareholders' equity
	Paid-up Capital	Other Equity Instruments			Capital Reserve	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	
		Preferred stock	Perpetual Bonds	Others							
I. Balance at the end of last year	10,000,000.00				10,125,347.00					1,147,105	1,081,513,065.00
Add: changes in accounting policy											
Change in accounting policy											
Others											
II. Balance at beginning of year	10,000,000.00				10,125,347.00					1,147,105	1,081,513,065.00
III. Movement of the year (Minus represented by (-) sign)											
(1) Total comprehensive income											
(2) Contribution from shareholders and reduction of capital											
1. Injection of funds from shareholders											
2. Injection from reduction of equity for losses											
3. Dividend received from subsidiaries											
4. Other											
(3) Profit appropriation											
1. Profit appropriation reserve											
2. Profit appropriation reserve											
3. Profit appropriation reserve											
4. Other											
(4) Internal transfer of shareholders' equity											
1. Transfer of capital reserve to paid-up capital											
2. Transfer of surplus reserve to paid-up capital											
3. Surplus reserve to impairment deficit											
4. Change amount of deferred benefit plan liability											
5. Other											
(5) Special reserve											
1. Special reserve											
2. Special reserve											
3. Other											
IV. Balance at end of year	10,000,000.00				10,125,347.00					1,147,105	1,081,513,065.00

(Unaudited figures to statements are part of the consolidated financial statements)

Head of Financial Section

Chief Financial Officer

Legal Representative

# Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.

## NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2020

(Reporting currency is RMB)

### 1. GENERAL INFORMATION

#### 1. Company registered place, organizational form and headquarters address

Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (hereinafter referred to as "the company" or "Company"), formerly known as Chongqing Bazhou Construction Co., Ltd., was established on August 23, 2012. It has obtained company's unified social credit code as 915001130532013163, and the registered capital RMB 1,000,000,000.00 yuan. The company registered address is located at No. 25, Building 4, No. 7, Ronghui Avenue, Lijiatuo, Baocun District, Chongqing and legal representative is Jiang Wen.

#### 2. Business Scope

The company's business scope: general contracting of housing construction and municipal infrastructure projects, various engineering construction activities, real estate development and operation, catering services, food operations, accommodation services, bathing services, packaging and decoration printing (projects subject to approval according to law, Business activities can only be carried out after being approved by the relevant departments, and the specific business projects are subject to the approval documents or licenses of the relevant departments); general projects: management of tourist attractions, management of tourist attractions, management of scenic spots, land consolidation services, landscaping engineering construction, Hotel management, non-residential real estate leasing, housing leasing, counter and booth leasing, fitness and leisure activities, laundry and dyeing services, wholesale of hardware products, real estate brokerage, retail of hardware products, sales of office supplies, manufacturing of metal fittings for construction, sales of building decoration materials, Property management (except for projects subject to approval according to law, business activities are carried out independently according to law with business license).

#### 3. The company's business nature and main business activities

The company is mainly responsible for the general contracting of housing construction and municipal infrastructure projects in Baocun District, Chongqing, various engineering construction activities, real estate development and operation, and catering services.

#### 4. Approval for issue of financial statements

These financial statements and the notes to the financial statements have been approved by the Board of

Directors of the Company for issue on April 20, 2021:

#### 5. Scope of Consolidated Financial Statements

There are 18 subsidiaries included in the scope of the consolidated financial statements in the current period. For details, please refer to Note VIII "RIGHTS AND INTERESTS IN OTHER SUBJECTS". The consolidation scope of the Company in this period increased by 2 over the previous period. For details, please refer to Note VII "CHANGES IN THE SCOPE OF CONSOLIDATION".

### II. Basis of Preparation of Financial Statements

#### 1. Basis of preparation:

The financial statements of the company are based on the assumption of going concern, according to the actual transactions and events, in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" issued by the Ministry of Finance (issued by the Ministry of Finance Order No. 33, revised by the Ministry of Finance Order No. 76), 42 specific accounting standards promulgated and revised on and after February 15, 2006, guidelines for the application of accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other relevant provisions (hereinafter collectively referred to as "accounting standards for business enterprises"), and the China Securities Regulatory Commission Compilation of the disclosure requirements of the Management Committee's "Regulations on Information Disclosure of Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports" (revised in 2014).

According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company's accounting is based on the accrual basis, except for certain financial instruments, these financial statements are measured on the historical cost basis. If an asset is impaired, corresponding provision for impairment shall be made in accordance with relevant regulations.

#### 2. Going Concern

The Company has not had any events or circumstances that have caused significant doubts about the Company's ability to continue as a going concern for 12 months from the end of the reporting period.

### III. Follow the statement of corporate accounting standards declaration

The financial statements prepared by the company meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect consolidated and parent company's financial positions on December 31, 2020 and the consolidated and parent company's operating results and cash flow and other relevant information. In addition, the Company's financial statements comply in all material respects with the "Compilation Rules for Information Disclosure by Companies Offering Securities to the



Public No. 15 - General Provisions on Financial Reports" revised by the China Securities Regulatory Commission in 2014 regarding the disclosures in the financial statements and their notes required.

#### IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

##### 1. Accounting Period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

##### 2. Operating cycle

The normal operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The company takes 12 months as an operating cycle, and uses it as the standard for dividing the liquidity of assets and liabilities.

##### 3. Reporting currency

The Company uses RMB as its functional currency based on the main economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries use RMB for bookkeeping currency. The overseas subsidiaries of the Company determine the US dollar as their functional currency according to the currency in the main economic environment in which they operate.

The currency used by the Company in preparing these financial statements is RMB.

##### 4. Accounting treatments for business combinations involving entities under and not under common control

A business combination refers to a transaction or event that combines two or more separate businesses to form a reporting entity. Business combination is divided into business combination under the same control and business combination not under the same control.

###### (1) Business combinations involving entities under common control

The enterprises participating in the merger are ultimately controlled by the same party or the same multiple parties before and after the merger, and the control is not temporary, and it is a business combination under the same control. For a business combination under the same control, the party that obtains control over other companies participating in the merger on the merger date is the merging party, and the other companies participating in the merger are the merged party. The merger date refers to the date on which the merging party actually obtains control over the merged party.

The assets and liabilities acquired by the combining party are measured at the book value of the combined party on the combining date. The difference between the book value of the net assets obtained by the merging party and the book value of the merger consideration paid (or the total face value of the shares issued) shall be adjusted to the capital reserve (share capital premium); if the capital reserve (share capital

premium) is not sufficient to offset, the retained earnings shall be adjusted.

All direct expenses incurred by the merging party for the business combination shall be included in the current profit and loss when incurred.

## (2) Business combinations involving entities not under common control

If the enterprises participating in the merger are not ultimately controlled by the same party or the same multiple parties before and after the merger, it is a business merger not under the same control. For a business combination not under the same control, the party that obtains control over other companies participating in the merger on the purchase date is the purchaser, and the other companies participating in the merger are the acquiree. The purchase date refers to the date on which the purchaser actually obtains control over the purchased party.

For a business combination not under the same control, the cost of the combination includes the assets paid by the acquirer, the liabilities incurred or assumed, and the fair value of the equity securities issued by the acquirer to obtain control over the acquiree on the acquisition date. Intermediary fees such as auditing, legal services, evaluation and consultation, and other management fees are included in the current profit and loss when incurred. The transaction costs of the equity securities or debt securities issued by the purchaser as consideration for the merger shall be included in the initial recognition amount of the equity securities or debt securities. The contingent consideration involved is included in the merger cost at its fair value on the purchase date. If there is new or further evidence of the existing conditions on the purchase date within 12 months after the purchase date and the contingent consideration needs to be adjusted, adjust the merger accordingly. Combination costs incurred by the purchaser and identifiable net assets acquired in the combination are measured at the fair value on the acquisition date. If the merger cost is greater than the fair value share of the acquiree's identifiable net assets on the acquisition date obtained in the merger, it is recognized as goodwill. If the combination cost is less than the fair value share of the identifiable net assets of the acquiree acquired in the combination, first review the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the acquiree and the measurement of the combination cost. If the merger cost is still less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the difference shall be included in the current profit and loss.

If the deductible temporary difference obtained by the purchaser from the purchaser is not recognized on the purchase date because it does not meet the conditions for the recognition of deferred tax assets, within 12 months after the purchase date, if it obtains new or further information indicating that the purchase If the relevant situation on the date of purchase already exists, and it is expected that the economic benefits brought by the deductible temporary difference of the acquiree can be realized on the purchase date, the

relevant deferred income tax assets shall be recognized, and the goodwill shall be reduced at the same time. The difference is recognized as the current profit and loss; in addition to the above circumstances, if the deferred income tax assets related to the business combination are recognized, it shall be included in the current profit and loss.

The merger of enterprises not under the same control realized step by step through multiple transactions, in accordance with the "Notice of the Ministry of Finance on Printing and Distributing the Interpretation of Accounting Standards for Business Enterprises No. 5" (Cai Kuai [2012] No. 19) and "Accounting Standards for Business Enterprises No. 33 - Merger Article 31 of the "Financial Statements" on the "package deal" criteria (see Note IV, 5 (2)), to determine whether the multiple transactions belong to "package deal". If it belongs to a "package deal", accounting treatment shall be carried out with reference to the descriptions in the preceding paragraphs of this part and this Note IV, 11 "Long-term equity investment"; if it does not belong to a "package deal", relevant accounting treatment shall be carried out by distinguishing between individual financial statements and consolidated financial statements:

In individual financial statements, the sum of the book value of the equity investment held by the acquirer before the purchase date and the new investment cost on the purchase date is taken as the initial investment cost of the investment; If the equity of the acquiree held before the acquisition date involves other comprehensive income, When disposing of this investment, other comprehensive income related to it shall be accounted for on the same basis as the acquiree's direct disposal of related assets or liabilities (that is, except for the corresponding share in the changes caused by the acquiree's remeasurement of the net liabilities or net assets of the defined benefit plan calculated in accordance with the equity method, the rest shall be transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the acquisition date is remeasured according to the fair value of the equity on the acquisition date, and the difference between the fair value and its book value is included in the current investment income; If the equity of the acquiree held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as the acquiree's direct disposal of relevant assets or liabilities (that is, except for the corresponding share in the changes caused by the acquiree's remeasurement of the net liabilities or net assets of the defined benefit plan calculated in accordance with the equity method, the rest shall be transferred to the current investment income on the acquisition date).

## 5. Methods of preparing consolidated financial statements

### (1) Principles for determining the Scope of Consolidated Financial Statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

Control means that the company has power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to affect the amount of return. Subsidiaries are entities controlled by the company.

Once changes in relevant facts and circumstances lead to changes in the relevant elements involved in the above definition of control, the company will reassess.

## (2) Methods of preparing consolidated financial statements

From the date of obtaining the actual control over the net assets and production and operation decisions of the subsidiary, the Company begins to include it in the scope of consolidation; it stops being included in the scope of consolidation from the date of loss of actual control. For disposed subsidiaries, the operating results and cash flow before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; for subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet is not adjusted. For subsidiaries added through business combination not under the same control, their operating results and cash flows after the acquisition date have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the opening balance and comparative figures of the consolidated financial statements are not adjusted. For subsidiaries added through business combination under the same control, their operating results and cash flows from the beginning of the current period of consolidation to the date of consolidation have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are adjusted at the same time.

In the preparation of consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiary and the company are inconsistent, necessary adjustments shall be made to the subsidiary's financial statements in accordance with the company's accounting policies and accounting periods. For subsidiaries acquired through business combination not under the same control, adjustments are made to their financial statements based on the fair value of identifiable net assets on the acquisition date.

All significant current balances, transactions and unrealized profits within the company are eliminated when the consolidated financial statements are prepared.

Shareholders' equity of subsidiaries and the part of the current net profit or loss that is not owned by the company are separately listed as minority shareholders' equity and minority shareholders' equity and net profit in the consolidated financial statements. The share of the subsidiary's current net profit and loss that belongs to minority shareholders' equity is listed under the "minority shareholder's profit and loss" item.

under the net profit item in the consolidated income statement. The loss of a subsidiary shared by minority shareholders exceeds the share of minority shareholders in the subsidiary's initial shareholders' equity, which still offsets the minority shareholders' equity.

When the control over the original subsidiary is lost due to disposal of part of the equity investment or other reasons, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the share of the original subsidiary's net assets calculated continuously from the date of purchase calculated according to the original shareholding ratio, is included in the current period of loss of control, return on investment. Other comprehensive income related to the equity investment in the original subsidiary shall be accounted for on the same basis as the acquiree directly disposes of the relevant assets or liabilities when it loses control (that is, except for the re-measurement of the defined benefit plan in the original subsidiary. Except for the changes caused by net liabilities or net assets, the rest are transferred to the current investment income). Afterwards, follow-up measurement of this part of the remaining equity shall be carried out in accordance with the relevant regulations such as "Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments" or "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", please refer to Note IV for details. 11 "Long-term equity investment" or this Note IV. 8 "Financial instruments".

If the company disposes of the equity investment in the subsidiary in stages through multiple transactions until it loses control, it is necessary to distinguish whether each transaction that disposes of the equity investment in the subsidiary until the loss of control is a package transaction. The terms, conditions and economic impact of each transaction of disposal of equity investment in a subsidiary meet one or more of the following conditions, which usually indicate that multiple transactions should be accounted for as a package of transactions: ① These transactions are entered into at the same time or in consideration of mutual influence; ② These transactions as a whole can achieve a complete commercial result; ③ The occurrence of one transaction depends on the occurrence of at least one other transaction; ④ A transaction is not economical on its own, but it is economical when considered in combination with other transactions. If it does not belong to a package of transactions, for each of the transactions, according to the circumstances, according to "partial disposal of long-term equity investment in subsidiaries without losing control" (see Note IV, 11, (2) ④ for details) and "The loss of control over the original subsidiary due to the disposal of part of the equity investment or other reasons" (see the preceding paragraph for details) applies to accounting treatment. If the various transactions that dispose of the equity investment in the

subsidiary until the loss of control is a package transaction, each transaction shall be accounted for as a transaction that disposes of the subsidiary and loses control, however, before the loss of control, the price of each disposal shall be the difference in the share of the subsidiary's net assets corresponding to the disposal of the investment is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit or loss of the current period when the control is lost.

#### **6. Joint venture arrangements classification and Co-operation accounting treatment**

A joint arrangement is an arrangement under the joint control of two or more parties. The Company divides the joint venture arrangement into joint operation and joint venture according to the rights and obligations it enjoys in the joint venture arrangement. Joint operation refers to a joint venture arrangement in which the company enjoys the relevant assets of the arrangement and assumes the relevant liabilities of the arrangement. A joint venture refers to a joint arrangement in which the Company only has rights to the net assets of the arrangement.

The Company's investment in joint ventures is accounted for by the equity method, and is handled in accordance with the accounting policies described in Note IV, 11, (2) ② "Long-term equity investment accounted for by the equity method".

The company, as a joint venture party, confirms the assets held by the company alone, the liabilities assumed by the company alone, and the assets held jointly and the liabilities assumed by the company according to the share of the company. The income generated by the share of the company is recognized; the income generated by the joint operation due to the sale of the output is recognized according to the company's share; the expenses incurred by the company alone are recognized, and the expenses incurred by the joint operation are recognized according to the company's share.

When the company invests or sells assets to the joint operation as a joint venture (the assets do not constitute business, the same below), or purchases assets from the joint operation, before the assets are sold to a third party, the company only confirms that the assets arising from the transaction. The portion of the profit or loss attributable to other participants in the joint operation. If such assets suffer from asset impairment losses that comply with the provisions of "Accounting Standards for Business Enterprises No. 8 - Asset Impairment", the Company shall fully recognize the loss in the case of investment or sale of assets by the Company to the joint operation; When the company purchases assets from joint operation, the company recognizes the loss according to its share.

#### **7. Cash and cash equivalents**

Cash refers to cash on hand and deposits that can be used for payments at any time. Cash equivalents refer



to short-term, highly liquid investments held by the Company that are easily convertible into known amounts of cash and have little risk of value changes.

## 8. Financial Instruments

A financial asset or financial liability is recognised when the company becomes a party to a financial instrument contract. Financial assets and financial liabilities are measured at fair value on initial recognition. For financial assets and financial liabilities at fair value through profit or loss, relevant transaction costs are directly included in profit or loss; for other types of financial assets and financial liabilities, relevant transaction costs are included in the initial recognition amount.

### (1) Fair value determination of financial assets and financial liabilities

Fair value refers to the price that can be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. If there is an active market for a financial instrument, the company uses the quotation in the active market to determine its fair value. Quoted prices in an active market refer to prices that are easily obtained from exchanges, brokers, industry associations, pricing service agencies, etc. on a regular basis, and represent the prices of market transactions that actually occur in an arm's length transaction. If there is no active market for financial instruments, the company uses valuation techniques to determine their fair value. Valuation techniques include reference to prices used in recent market transactions between knowledgeable and willing parties, reference to the current fair value of other substantially identical financial instruments, discounted cash flow methods and option pricing models.

### (2) Classification, recognition and measurement of financial assets

Financial assets bought and sold in a conventional manner are recognized and derecognized on a transaction date basis. Financial assets are classified at initial recognition into financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

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

Including held-for-trading financial assets and financial assets designated at fair value through profit or loss.

Financial assets held for trading refer to financial assets that meet one of the following conditions: A. The purpose of obtaining the financial asset is mainly for sale in the near future; B. It is part of a portfolio of identifiable financial instruments under centralized management, and there is objective evidence that indicates that the company has recently adopted a short-term profit-taking method to manage the portfolio; C. It is a derivative instrument, but the derivative instrument that is designated and is an effective hedging

instrument, the derivative instrument that belongs to the financial guarantee contract, and the derivative instruments that are not quoted in an active market And the fair value of which cannot be reliably measured is except for derivatives that are linked to investments in equity instruments and must be settled through the delivery of such equity instruments.

A financial asset that meets one of the following conditions can be designated as a financial asset measured at fair value through profit or loss at initial recognition: A. The designation can eliminate or significantly reduce the difference in the measurement basis of the financial asset. The resulting related gains or losses are inconsistent in recognition or measurement; B. The official written documents of the company's risk management or investment strategy have stated that the financial asset portfolio or financial asset and financial liability portfolio in which the financial asset is located are based on a fair value. Value-based management, evaluation and reporting to key management personnel.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in fair value and dividends and interest income related to such financial assets are included in profit or loss for the current period.

#### ② Held to maturity investments

It refers to non-derivative financial assets with fixed maturity date and fixed or determinable recovery amount, which the Company has the clear intention and ability to hold to maturity.

Held-to-maturity investments are subsequently measured at amortized cost using the effective interest rate method. Gains or losses arising from derecognition, impairment or amortization are included in the current profit and loss.

The effective interest rate method refers to the method of calculating the amortized cost and interest income or expenditure of each period according to the actual interest rate of financial assets or financial liabilities (including a group of financial assets or financial liabilities). The effective interest rate refers to the interest rate used to discount the future cash flow of a financial asset or financial liability in the expected duration or a shorter applicable period to the current book value of the financial asset or financial liability.

When calculating the actual interest rate, the company will estimate future cash flows (without considering future credit losses) on the basis of all contractual terms of the financial asset or financial liability, and will also consider the payment between the parties to the financial asset or financial liability contract. Various charges, transaction fees, discounts or premiums, etc., which are part of the actual interest rate.

#### ③ Loans and accounts receivable

Refers to non-derivative financial assets that are not quoted in an active market and have a fixed or determinable recovery amount. Financial assets classified as loans and receivables by the Company include

notes receivable, accounts receivable, interest receivable, dividends receivable and other receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest rate method. Gains or losses arising from derecognition, impairment or amortization are included in the current profit and loss.

#### ④ Available-for-sale financial assets

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

The ending cost of the available-for-sale debt instrument investment is determined by the amortized cost method, that is, the initial recognition amount deducts the repaid principal, plus or minus the difference between the initial recognition amount and the maturity date amount using the effective interest method. The accumulated amortization amount formed by amortization and the amount after deducting the incurred impairment loss. The ending cost of available-for-sale equity instrument investment is its initial acquisition cost.

Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value are recognized as other comprehensive income, except for impairment losses and exchange differences related to foreign currency monetary financial assets and amortized costs, which are included in the current profit and loss. , which is transferred out when the financial asset is derecognized and included in the current profit and loss. However, equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured, as well as derivative financial assets that are linked to the equity instrument and must be settled through delivery of the equity instrument, are subsequently measured at cost.

Interest obtained during the holding period of available-for-sale financial assets and cash dividends declared by the investee are included in investment income.

#### (3) Impairment of financial assets

Except for the financial assets measured at fair value and whose changes are included in the current profit and loss, the company checks the book value of other financial assets on each balance sheet date. If there is objective evidence that the financial assets are impaired, accrual and deduction value preparation.

The company conducts an impairment test for financial assets with a single significant amount; for financial assets with an insignificant single amount, an impairment test is conducted separately or included in a portfolio of financial assets with similar credit risk characteristics. Financial assets (including financial assets with significant and insignificant individual amounts) that have not been impaired by separate testing

shall be included in the portfolio of financial assets with similar credit risk characteristics and then tested for impairment. Financial assets for which impairment losses have been individually recognized are not included in the portfolio of financial assets with similar credit risk characteristics for impairment testing.

(3) Impairment of held-to-maturity investments, loans and accounts receivables

The book value of financial assets measured at cost or amortized cost is written down to the present value of the estimated future cash flow, and the write-down amount is recognized as an impairment loss and included in the current profit and loss. After the impairment loss is confirmed for a financial asset, if there is objective evidence that the value of the financial asset has recovered, and it is objectively related to events that occurred after the loss was confirmed, the originally recognized impairment loss will be reversed, and the financial asset will be reversed for impairment. The book value after the loss does not exceed the amortized cost of the financial asset on the date of reversal under the assumption that no provision for impairment is made.

#### (3) Impairment of available-for-sale financial assets

When it is judged that the fair value of the available-for-sale equity instrument investment has declined significantly or not temporarily, it indicates that the available-for-sale equity instrument investment is impaired. Among them, "serious decline" refers to the cumulative decline in fair value of more than 20%; "non-temporary decline" refers to the continuous decline of fair value for more than 12 months.

When an available-for-sale financial asset is impaired, the accumulated loss arising from the decline in fair value originally included in other comprehensive income shall be transferred out and included in the current profit and loss, and the transferred accumulative loss shall be the initial acquisition cost of the asset less the recovered The balance after principal and amortized amount, current fair value and unpaid loss previously included in profit or loss.

After the impairment loss is recognized, if there is objective evidence after the period that the value of the financial asset has recovered, and it is objectively related to the events that occurred after the loss was recognized, the originally recognized impairment loss shall be reversed, and the available-for-sale equity instrument investment. The reversal of impairment losses on available-for-sale debt instruments is recognized as other comprehensive income, and the reversal of impairment losses on available for sale debt instruments is recognized in profit or loss for the current period.

Equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured, or impairment losses on derivative financial assets that are linked to the equity instrument and must be settled through the delivery of the equity instrument, shall not be reversed.

#### (4) Recognition basis and measurement method of financial asset transfer

Financial assets that meet one of the following conditions shall be derecognized: (1) The contractual right to receive the cash flow of the financial asset is terminated; (2) The financial asset has been transferred, and almost all the risks and rewards of ownership of the financial asset have been transferred to the transferee; (3) The financial asset has been transferred. Although the enterprise neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, it has given up control over the financial asset.

If the enterprise neither transfers nor retains almost all the risks and rewards of ownership of financial assets, and does not give up control of the financial assets, the relevant financial assets shall be recognized according to the degree of continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continued involvement in the transferred financial assets refers to the level of risk faced by the enterprise due to changes in the value of the financial assets.

If the overall transfer of financial assets satisfies the conditions for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the accumulated amount of changes in fair value originally included in other comprehensive income is included in the current profit and loss.

If the partial transfer of financial assets satisfies the conditions for derecognition, the book value of the transferred financial assets shall be apportioned according to its relative fair value between the derecognized and unrecognized parts, and the consideration received due to the transfer shall be apportioned to the derecognized part. The difference between the sum of the accumulated amount of changes in fair value originally included in other comprehensive income and the amortized aforementioned carrying amount of the derecognized part is included in the current profit and loss.

When the company sells financial assets with recourse, or endorses the transfer of financial assets held, it is necessary to determine whether almost all the risks and rewards of ownership of the financial assets have been transferred. If almost all the risks and rewards of the ownership of the financial asset have been transferred to the transferee, the recognition of the financial asset shall be terminated; if almost all the risks and rewards of the ownership of the financial asset have been retained, the recognition of the financial asset shall not be terminated; neither transfer. If almost all the risks and rewards of the ownership of the financial asset are not retained, the company will continue to judge whether the enterprise retains control over the asset, and conduct accounting treatment according to the principles described in the preceding paragraphs.

#### (5) Classification and measurement of financial liabilities

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

**Financial liabilities at initial recognition** Financial liabilities are initially recognised and measured at fair value. For financial liabilities measured at fair value through profit or loss, relevant transaction costs are directly included in current profit and loss, for other financial liabilities, relevant transaction costs are included in the initial recognition amount.

#### ④ Financial liabilities at fair value through profit or loss

Criteria for financial liabilities classified as trading financial liabilities and designated as financial liabilities at fair value through profit or loss at initial recognition: The conditions for financial assets included in the current profit and loss are the same.

Financial liabilities at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in fair value and dividends and interest expenses related to such financial liabilities are included in profit or loss for the current period.

#### ⑤ Other financial liabilities

Derivative financial liabilities that are linked to equity instruments that have no quoted price in an active market and whose fair value cannot be reliably measured and that must be settled through the delivery of such equity instruments are subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, and the gains or losses arising from derecognition or amortization are included in the current profit and loss.

#### ⑥ Financial Guarantee Contract

Financial guarantee contracts that are not designated as financial liabilities at fair value and whose changes are included in the current profit and loss are initially recognized at fair value, and the amount determined in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies after initial recognition. Subsequent measurement shall be performed on the higher of the initial recognized amount after deducting the accumulated amortization amount determined in accordance with the principles of "Accounting Standards for Business Enterprises No. 14 - Revenue".

#### (6) Derecognition of financial liabilities

Only when all or part of the current obligations of the financial liability have been discharged, the recognition of the financial liability or a part thereof can be terminated. An agreement is signed between the company (the debtor) and the creditor to replace the existing financial liabilities by assuming new financial liabilities, and if the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the existing financial liabilities shall be derecognized, and the new financial liabilities shall be recognized at the same time. debt

If the financial liabilities are derecognized in whole or in part, the difference between the book value of the



derecognized part and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be included in the current profit and loss.

#### (7) Derivatives and Embedded Derivatives

Derivatives are initially measured at fair value on the date of signing the relevant contract, and subsequently measured at fair value. Except for the derivatives designated as hedging instruments and the hedging is highly effective, the gains or losses arising from changes in the fair value of the derivatives will be included in profit or loss according to the nature of the hedging relationship in accordance with the requirements of hedge accounting. Changes in value are included in current profit and loss.

For hybrid instruments containing embedded derivatives, if they are not designated as financial assets or financial liabilities at fair value through profit or loss, the embedded derivatives are not closely related to the main contract in terms of economic characteristics and risks, and Same as the conditions for embedded derivatives, if the separate instruments meet the definition of derivatives, the embedded derivatives are separated from the mixed instruments and treated as separate derivative financial instruments. If the embedded derivative cannot be measured separately at the time of acquisition or on the subsequent balance sheet date, the hybrid instrument as a whole is designated as a financial asset or financial liability at fair value through profit or loss.

#### (8) Offsetting of financial assets and financial liabilities

When the company has the legal right to offset the recognized financial assets and financial liabilities, and the legal right is currently enforceable, and the company plans to settle on a net basis or realize the financial assets and pay off the financial liabilities at the same time, the financial assets and financial liabilities are shown in the balance sheet in amounts after offsetting. In addition, financial assets and financial liabilities are listed separately in the balance sheet and are not offset.

#### (9) Equity Instrument

Equity instruments are contracts that demonstrate ownership of the company's remaining equity in its assets after deducting all liabilities. The company's issuance (including refinancing), repurchase, sale or cancellation of equity instruments are treated as changes in equity. The company does not recognize changes in fair value of equity instruments. Transaction costs associated with equity transactions are deducted from equity.

The Company's various distributions (excluding stock dividends) to the holders of equity instruments reduce shareholders' equity. The company does not recognize changes in fair value of equity instruments.

### 9. Account receivables

Accounts receivable include accounts receivable and other receivables.

#### 1.1 Confirmation criteria for bad debt preparation

The company checks the book value of the receivables on the balance sheet date, and makes provision for impairment if the following objective evidence shows that the receivables are impaired: (1) the debtor has serious financial difficulties; (2) the debtor violates the terms of the contract (such as default or overdue repayment of interest or principal, etc.); (3) the debtor is likely to go bankrupt or carry out other financial restructuring; (4) other objective basis for the impairment of receivables.

#### 1.2 Method for the order of bad debt preparation

(1) Receivables with a single significant amount and with a single provision for bad debts:

Judgment basis or amount standard for single significant amount	Receivables with a single amount exceeding 10 million yuan are regarded as major receivables
Withdrawal method for single item of significant amount and single item to withdraw bad debt provision	According to the difference between the present value of its future cash flow and its book value, make provision for bad debts

(2) Determination basis and method of making bad debt provision for receivables based on credit risk portfolio:

#### A. Basis for Determinizing the Combination of Credit Risk Characteristics

Receivables with insignificant individual amounts and receivables with significant individual amounts that have not been impaired after separate testing are divided into several groups according to credit risk characteristics, and are classified according to the same or similar to those in previous years and similar to those in previous years. Based on the actual loss rate of the receivables portfolio with credit risk characteristics, the bad debt provision to be accrued is determined in combination with the current situation.

Basis for determining combination:

Type	Combination name	Confirm the specific basis for the combination
Portfolio 1	Combination of aging analysis method	Based on past historical experience, the company makes the best estimate of the accrual ratio of receivables, and classifies credit risk portfolio with reference to the age of receivables
Portfolio 2	Risk free portfolio	According to the specific object and specific nature, it is determined to be free of credit risk, including: various deposits and deposits, current funds from government units, employee reserve funds, and transactions with companies within the scope of consolidation and other related parties.

#### B. Withdrawal method determined according to the combination of credit risk characteristics

Accounts receivable for which bad debt provision is made using aging analysis method

Aging	Percentage of bad debt provision for accounts	Proportion of bad debt provision for other receivables %
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	receivable %	
Within 1 year (including 1 year)	0.00	0.00
1-2 years (including 2 years)	10.00	10.00
2-3 years (including 3 years)	30.00	30.00
3-4 years (including 4 years)	50.00	50.00
4-5 years (including 5 years)	80.00	80.00
Above 5 years	100.00	100.00

Accounts receivable for which bad debt provision is made by other methods

Combination name	Method description
Risk free portfolios	No provision for bad debts

③Accounts receivable for which bad debt provision is made individually although the individual amount is not significant:

Reasons for individual provision for bad debts	Receivables whose single amount is not significant and the provision for bad debts in combination cannot reflect their risk characteristics
Withdrawal method of bad debt provision	According to the difference between the present value of its future cash flow and its book value, make provision for bad debts

## 10. Inventory

### (1) Category of inventory

The company's inventories refer to finished products or commodities held for sale in daily activities, in-process products in the production process, materials and materials consumed in the production process or in the provision of labor services, etc., including inventory materials, low-cost Value consumables, work in progress, inventory, land, development costs, etc.

### (2) Method of Valuation of Issued Inventory

The Company's inventories are valued at actual cost when they are obtained. Raw materials, products in process, goods in stock, goods shipped, etc. are priced using the weighted average method when they are delivered.

### (3) Determination basis of net realizable value of inventories and method of accrual of inventory depreciation reserve

The net realisable value of inventories is the estimated selling price of inventories less the estimated costs to be incurred upon completion, estimated selling expenses and relevant taxes. When determining the net realisable value of inventories, it is based on the solid evidence obtained, taking into account the purpose of holding the inventories and the impact of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, the provision for inventory depreciation is made. The company usually makes provision for inventory depreciation based on the difference between the cost of a single inventory item and its net realizable value. For inventories with a large quantity and low unit price, the provision for inventory depreciation shall be made according to the category of inventory; for inventories related to product series produced and sold in the same area, with the same or similar end use or purpose, and difficult to measure separately from other items, inventory depreciation reserves can be accrued on a consolidated basis.

On the balance sheet date, if the factors affecting the previous write-down of the value of inventories have disappeared, the provision for inventory depreciation shall be reversed within the originally accrued amount.

#### (4) Inventory system

The company's inventory system adopts the perpetual inventory system.

#### (5) Amortization of low-value consumables and packaging materials

The low-value consumables of the Company are amortized using the use-off amortization method.

The packaging materials for turnover are included in the cost according to the one-off amortization method.

### II. Long-term equity investment

The long-term equity investment referred to in this section refers to the long-term equity investment in which the Company has control, joint control or significant influence over the investee. The long-term equity investment that the company does not have control, joint control or significant influence on the investee is accounted for as available-for-sale financial assets or financial assets measured at fair value through profit or loss for the current period. Please refer to Note IV for its accounting policies. 8 "Financial Instruments".

Joint control refers to the common control that the company has over an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be decided by the unanimous consent of the participants sharing the control right. Significant influence means that the company has the right to participate in the decision-making of the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties.

#### (1) Determination of investment costs

For a long-term equity investment obtained from a business combination under the same control, the initial investment cost of the long-term equity investment shall be the share of the book value of the owner's

equity of the merged party in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the initial investment cost of the long-term equity investment and the cash paid, the non-cash assets transferred and the book value of the debts assumed shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the issue of equity securities is used as the consideration for the merger, the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party on the merger date shall be regarded as the initial investment cost of the long-term equity investment, and the total face value of the issued shares shall be regarded as the share capital, the difference between the initial investment cost of the long-term equity investment and the total face value of the issued shares shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the equity of the merged party under the same control is obtained step by step through multiple transactions, and the merger of enterprises under the same control is finally formed, it should be dealt with whether it belongs to a "package deal". If it belongs to a "package deal", each transaction shall be treated as one item. Transactions in which control is obtained are accounted for.

If it does not belong to a "package deal", the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party shall be regarded as the initial investment cost of the long-term equity investment on the merger date. The difference between the book value of the long-term equity investment before the merger and the sum of the book value of the newly paid consideration for further acquisition of shares on the merger date shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. The equity investment held before the combination date is not subject to accounting treatment due to accounting by equity method or other comprehensive income recognized for available-for-sale financial assets.

For a long-term equity investment obtained from a business combination not under the same control, the initial investment cost of the long-term equity investment shall be the combination cost on the purchase date. The combination cost includes the assets paid by the purchaser, liabilities incurred or assumed, and equity securities issued. Sum of fair values. If the acquiree's equity is acquired step by step through multiple transactions, and eventually a business combination not under the same control is formed, it shall be dealt with whether it belongs to a "package transaction": if it belongs to a "package transaction", each transaction shall be treated as one acquisition. Transactions of control are accounted for. If it does not belong to a "package deal", the sum of the book value of the equity investment originally held by the acquiree plus the new investment cost shall be regarded as the initial investment cost of the long-term equity investment calculated by the cost method. If the originally held equity is accounted for by the equity

method, the related other comprehensive income will not be accounted for temporarily. If the originally held equity investment is an available for sale financial asset, the difference between its fair value and its book value, as well as the accumulated change in fair value originally included in other comprehensive income, shall be transferred to the current profit and loss.

The intermediary fees for auditing, legal services, evaluation and consultation and other related management fees incurred by the merging party or the purchaser for the business combination shall be included in the current profit and loss when they occur.

Other equity investments other than long-term equity investments formed by business combination shall be initially measured at cost. Depending on the acquisition method of long-term equity investments, the cost shall be calculated according to the actual cash purchase price paid by the company and the amount of equity securities issued by the company. The fair value, the value agreed in the investment contract or agreement, the fair value or original book value of the assets exchanged in the non-monetary asset exchange transaction, and the fair value of the long-term equity investment itself are determined. Expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investments are also included in investment costs. For additional investment that can exert significant influence on the investee or implement joint control but does not constitute control, the cost of long-term equity investment is the original equity investment determined in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments. The sum of the fair value plus the additional investment cost.

#### (2) Subsequent measurement and profit and loss recognition method

Long-term equity investments that have joint control (except for constituting joint operators) or significant influence over the investee shall be accounted for using the equity method. In addition, the company's financial statements use the cost method to account for long-term equity investments that can control the investee.

##### ① Long-term equity investment accounted for by cost method

When the cost method is adopted, the long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted by adding or recovering the investment. Except for the price actually paid at the time of obtaining the investment or the cash dividends or profits that have been declared but not distributed in the consideration, the investment income for the current period shall be recognized as the cash dividends or profits declared and distributed by the investee.

##### ② Long-term equity investments accounted for by the equity method

When accounting using the equity method, if the initial investment cost of a long-term equity investment is



greater than the share of the fair value of the identifiable net assets of the investee at the time of the investment, the initial investment cost of the long-term equity investment shall not be adjusted; For the unit's share of the fair value of identifiable net assets, the difference shall be included in the current profit and loss, and the cost of long-term equity investment shall be adjusted at the same time.

When accounting using the equity method, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profit and loss and other comprehensive income realized by the investee that should be enjoyed or shared, and the book value of the long-term equity investment shall be adjusted at the same time; Distributed profits or cash dividends shall be calculated according to the share, and the book value of the long-term equity investment shall be reduced accordingly; For other changes in the owner's equity of the investee except for net profit and loss, other comprehensive income and profit distribution, the book value of the long-term equity investment shall be adjusted and included in the capital reserve. When recognizing the share of the net profit and loss of the investee, the net profit of the investee shall be adjusted on the basis of the fair value of the identifiable assets of the investee when the investment is obtained. If the accounting policy and accounting period adopted by the investee are inconsistent with the Company's, the financial statements of the investee shall be adjusted in accordance with the Company's accounting policy and accounting period, and investment income and other comprehensive income shall be recognized accordingly. For the transactions between the company and its associates and joint ventures, if the assets invested or sold do not constitute business, the unrealized internal transaction profits and losses are calculated according to the proportion of the share and are offset attributable to the company. On this basis Recognize investment gains and losses. However, the unrealized internal transaction losses between the company and the investee, which belong to the impairment losses of the transferred assets, shall not be offset. If the assets invested by the company to a joint venture or an associate constitute a business, and the investor thus obtains long-term equity investment but does not obtain control, the fair value of the invested business shall be used as the initial investment cost of the new long-term equity investment. The difference between the cost and the book value of the invested business is fully included in the current profit and loss. If the assets sold by the Company to joint ventures or associates constitute business, the difference between the consideration obtained and the book value of the business shall be fully included in the current profit and loss. If the assets purchased by the company from associates and joint ventures constitute business, accounting treatment shall be carried out in accordance with the provisions of "Accounting Standards for Business Enterprises No. 20 - Business Combination", and the gains or losses related to the transaction shall be fully recognized.

When recognizing the net loss of the investee that should be shared, the book value of the long-term equity investment and other long-term equity that substantially constitute the net investment in the investee shall be written down to zero. In addition, if the company is obliged to bear additional losses to the investee, the estimated liabilities shall be recognized according to the expected obligations and included in the current investment losses. If the investee realizes net profit in the subsequent period, the company will resume the recognition of the profit sharing amount after the profit sharing amount makes up for the unrecognized loss sharing amount.

For long-term equity investments in associates and joint ventures held by the Company before the first implementation of the new accounting standards, if there is a debit balance of equity investments related to the investment, the straight-line amortization amount shall be included in the current profit and loss according to the original remaining term.

#### ③ Acquisition of a subsidiary's minority equity

When preparing the consolidated financial statements, the difference between the long-term equity investment newly added due to the purchase of minority interests and the share of net assets that the subsidiary should enjoy continuously calculated from the date of purchase (or the date of combination) calculated according to the proportion of newly increased shareholding shall be adjusted. If the capital reserve is insufficient to offset the capital reserve, the retained earnings shall be adjusted.

#### ④ Disposal of long-term equity investments

In the consolidated financial statements, the parent company partially disposes of the long-term equity investment in the subsidiary without losing control, and the difference between the disposal price and the net assets of the subsidiary corresponding to the disposal of the long-term equity investment is included in shareholders' equity; If the disposal of the long-term equity investment in the subsidiary leads to the loss of control over the subsidiary, it shall be dealt with in accordance with the relevant accounting policies described in Note IV.5 (2) "Method of preparing consolidated financial statements".

For the disposal of long-term equity investment under other circumstances, the difference between the book value of the disposed equity and the actual price obtained shall be included in the current profit and loss.

For long-term equity investments accounted for by the equity method, if the remaining equity after disposal is still accounted for by the equity method, the other comprehensive income originally included in the shareholders' equity shall be used in the corresponding proportion to directly dispose of the relevant assets or liabilities with the investee at the time of disposal. Accounting is done on the same basis. Owner's equity recognized due to changes in other owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be carried forward to the current profit and loss.

proportionally.

For long-term equity investments accounted for by the cost method, if the remaining equity after disposal is still accounted for by the cost method, other comprehensive income recognized by the equity method accounting or financial instrument recognition and measurement standards accounting before the control of the investee is obtained. The accounting treatment is carried out on the same basis as the investee's direct disposal of the relevant assets or liabilities, and the current profit and loss is carried forward proportionally; the net assets of the investee recognized due to the use of the equity method are accounted for, except for the net profit and loss, other comprehensive income and profit distribution. Changes in other owners' equity other than those are carried forward proportionally to the current profit and loss.

If the company loses control over the investee due to the disposal of part of the equity investment, when preparing individual financial statements, if the remaining equity after the disposal can exercise joint control or exert significant influence on the investee, it shall be accounted for by the equity method instead. The remaining equity is deemed to be adjusted using the equity method when it is acquired; if the remaining equity after disposal cannot exercise joint control or exert significant influence on the investee, the accounting treatment shall be carried out in accordance with the relevant provisions of the financial instrument recognition and measurement standards. The difference between the fair value and the book value on the date of losing control is included in the current profit and loss. For other comprehensive income recognized by the equity method accounting or financial instrument recognition and measurement standard accounting before the company obtains control over the investee, when the control over the investee is lost, the company directly disposes of the relevant assets or Accounting treatment shall be carried out on the same basis as liabilities, and other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution in the net assets of the investee recognized due to accounting using the equity method shall be carried forward when the control over the investee is lost. Current profit and loss. Among them, if the remaining equity after disposal is accounted for using the equity method, other comprehensive income and other owners' equity will be carried forward in proportion; if the remaining equity after disposal is accounted for according to the recognition and measurement standards for financial instruments, other comprehensive income and other all rights and interests are carried forward.

If the company loses joint control or significant influence on the investee due to the disposal of part of the equity investment, the remaining equity after disposal shall be accounted for according to the financial instrument recognition and measurement standards. The difference between the book values is included in the current profit and loss. Other comprehensive income recognized by the original equity investment due

to accounting by the equity method shall be accounted for on the same basis as the investee directly disposes of the relevant assets or liabilities when the equity method is terminated. The owner's equity recognized by other changes in owner's equity other than income and profit distribution shall be fully transferred to the current investment income when the equity method is terminated.

The Company disposes the equity investment in subsidiaries step by step through multiple transactions until it loses control. If the above transactions belong to a package transaction, each transaction is accounted for as a transaction that disposes of equity investment in subsidiaries and loses control. The difference between each disposal price before the loss of control and the book value of the long-term equity investment corresponding to the disposed equity is recognized as other comprehensive income, and then transferred to the current profit and loss of the loss of control when the control is lost.

The long-term equity investment referred to in this section refers to the long-term equity investment in which the Company has control, joint control or significant influence over the investee. The long-term equity investment that the company does not have control, joint control or significant influence on the investee is accounted for as available-for-sale financial assets or financial assets measured at fair value through profit or loss for the current period.

#### (1) Investment cost determination

For a long-term equity investment obtained from a business combination under the same control, the initial investment cost of the long-term equity investment shall be the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the initial investment cost of long-term equity investment and the cash paid, the non-cash assets transferred, the book value of the debts assumed, and the total face value of the issued shares shall be adjusted for the share capital (capital) premium in the capital reserve; if the share capital (capital) premium is insufficient to offset, the retained earnings shall be adjusted. (If the equity of the merged party under the same control is obtained step by step through multiple transactions, and the merger of enterprises under the same control is finally formed, it should be dealt with whether it belongs to a "package deal": if it belongs to a "package deal", each transaction shall be treated as a single transaction. The accounting treatment shall be carried out for the transaction that obtains control. If it does not belong to a "package deal", the share of the book value of the shareholders' equity/owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party shall be regarded as a long-term equity investment on the merger date. The difference between the initial investment cost of the long-term equity investment and the book value of the long-term equity investment before the merger plus the book value of the new payment consideration for further acquisition of shares on the merger date, adjust

the capital reserve; Yes, adjusted for retained earnings. The equity investment held before the combination date is accounted for by the equity method or other comprehensive income recognized for available-for-sale financial assets, and no accounting treatment shall be carried out temporarily.)

For a long-term equity investment obtained from a business combination not under the same control, the initial investment cost of the long-term equity investment shall be the combination cost on the purchase date. The combination cost includes the assets paid by the purchaser, liabilities incurred or assumed, and equity securities issued. Sum of fair values. (If the equity of the acquiree is obtained step by step through multiple transactions, and eventually a business combination not under the same control is formed, it should be dealt with whether it belongs to a "package deal". If it belongs to a "package deal", each transaction shall be treated as one item. Accounting treatment shall be carried out for the transaction of obtaining control. If it does not belong to a "package deal", the sum of the book value of the equity investment originally held by the acquiree plus the new investment cost shall be regarded as the initial cost of the long-term equity investment that is accounted for by the cost method. Investment cost. If the originally held equity is accounted for by the equity method, the relevant other comprehensive income will not be accounted for temporarily. If the originally held equity investment is an available-for-sale financial asset, the difference between its fair value and book value, and the original Accumulated fair value changes included in other comprehensive income are transferred to current profit and loss.)

The intermediary fees for auditing, legal services, evaluation and consultation and other related management fees incurred by the merging party or the purchaser for the business combination shall be included in the current profit and loss when they occur. The transaction costs of the equity securities or debt securities issued as consideration for the merger are included in the initial recognition amount of the equity securities or debt securities.

Other equity investments other than long-term equity investments formed by business combination shall be initially measured at cost. Depending on the acquisition method of long-term equity investments, the cost shall be calculated according to the actual cash purchase price paid by the company and the amount of equity securities issued by the company. The fair value, the value agreed in the investment contract or agreement, the fair value or original book value of the assets exchanged in the non-monetary asset exchange transaction, and the fair value of the long-term equity investment itself are determined. Expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investments are also included in investment costs. For the additional investment that can exert significant influence on the investee or implement joint control but does not constitute control, the cost of long-term equity investment is the original equity investment determined in accordance with the Accounting Standards for Business

Enterprises No. 22 - Recognition and Measurement of Financial Instruments. The sum of the fair value plus the additional investment cost.

(2) Subsequent measurement and profit and loss recognition method

① Long-term equity investment accounted for by cost method

The long-term equity investment that the company can control over the investee adopts the cost method, and is priced according to the initial investment cost, and the cost of the long-term equity investment is adjusted by adding or recovering the investment.

For long-term equity investments accounted for using the cost method, except for the actual price paid at the time of obtaining the investment or the declared but undistributed cash dividends or profits included in the consideration, the cash dividends or profits declared and distributed by the investee are recognized as investment income, into the current profit and loss.

② Long-term equity investments accounted for by the equity method

The company adopts the equity method to account for long-term equity investments in associates and joint ventures; for some of the equity in associates indirectly held by venture capital institutions, mutual funds, trust companies or similar entities including investment-linked insurance funds. Investments are measured at fair value through profit or loss.

When the company adopts the equity method to account for long-term equity investment, if the investment cost of long-term equity investment is greater than the share of the fair value of the identifiable net assets of the investee at the time of investment, the investment cost of long-term equity investment shall not be adjusted; If the investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of the investment, the book value of the long-term equity investment shall be adjusted, and the difference shall be included in the current profit and loss of the investment.

After the company obtains the long-term equity investment, it shall recognize the investment income and other comprehensive income according to the share of the net profit and loss and other comprehensive income realized by the investee that it should enjoy or share, and adjust the book value of the long-term equity investment at the same time; For the part of the profits or cash dividends declared to be distributed by the investing unit, the book value of the long-term equity investment shall be reduced accordingly; for other changes in the owner's equity of the invested unit other than net profit and loss, other comprehensive income and profit distribution, the long-term equity investment shall be adjusted, book value and included in owner's equity.

When the company calculates long-term equity investment according to the equity method, it first adjusts the net profit of the investee in terms of the fair value, accounting policy and accounting period of various



identifiable assets of the investee when the investment is obtained, and then adjusts it according to the The net profit or loss share of the investee that should be enjoyed or shared is recognized in the current investment profit and loss.

The unrealized internal transaction profit and loss between the company and its associates and joint ventures is calculated according to the shareholding ratio and attributable to the company, and the investment profit and loss is recognized on the basis of offset.

When the company confirms that it should share the losses incurred by the investee, it shall be dealt with in the following order: First, write down the book value of the long-term equity investment. Secondly, if the book value of the long-term equity investment is not sufficient to offset, the investment loss shall continue to be recognized to the extent of the book value of other long-term equity that substantially constitutes the net investment in the investee, and the book value of the long-term receivables shall be offset. Finally, after the above processing, if the enterprise still undertakes additional obligations according to the investment contract or agreement, the estimated liabilities shall be recognized according to the expected obligations and included in the current investment loss. If the investee realizes profit in the subsequent period, the company shall, after deducting the unrecognized loss share, deal with it in the reverse order of the above, write down the book balance of the recognized estimated liabilities, and restore other assets that substantially constitute a net investment in the investee. The book value of long-term equity and long-term equity investment, and the investment income is recognized at the same time.

### ③ Disposal of long-term equity investments

For the disposal of long-term equity investment, the difference between its book value and the actual price obtained shall be included in the current profit and loss. For a long-term equity investment accounted for by the equity method, when disposing of the investment, the same basis as the investee's direct disposal of the relevant assets or liabilities shall be adopted, and the part originally included in other comprehensive income shall be accounted for according to the corresponding proportion. Owners' equity recognized due to changes in other owners' equity other than net profit or loss, other comprehensive income and profit distribution of the investee shall be carried forward to the current profit and loss on a pro rata basis. If the joint control or significant influence on the investee is lost due to the disposal of part of the equity investment or other reasons, the remaining equity after disposal shall be accounted for in accordance with the financial instrument recognition and measurement standards, and its fair value on the date of loss of joint control or significant influence. The difference between the book values is included in the current profit and loss. Other comprehensive income recognized by the original equity investment due to accounting by the equity method shall be accounted for on the same basis as the investee directly disposes

of the relevant assets or liabilities when the equity method is terminated. The owner's equity recognized due to changes in other owners' equity of the investee except for net profit and loss, other comprehensive income and profit distribution shall be transferred to the current profit and loss when the equity method is terminated.

If the control over the investee is lost due to the disposal of part of the equity investment and other reasons, when preparing individual financial statements, if the remaining equity after the disposal can exercise joint control or significant influence on the investee, it shall be accounted for by the equity method instead. The remaining equity is deemed to have been adjusted using the equity method since it was acquired. If the remaining equity after disposal cannot exercise joint control or exert significant influence on the investee, the accounting treatment shall be carried out in accordance with the relevant provisions of the financial instrument recognition and measurement standards. The difference between the fair value and the book value on the date of losing control is included in the current profit and loss.

The disposed equity is acquired through business combination due to additional investment and other reasons. When preparing individual financial statements, the remaining equity after disposal is accounted for by the cost method or the equity method, and the equity investment held before the purchase date is accounted for by the equity method. The recognized other comprehensive income and other owner's equity are carried forward in proportion; if the remaining equity after disposal is changed to be accounted for according to the recognition and measurement standards of financial instruments, the other comprehensive income and other owner's equity are all carried forward.

### (3) Judgment Criteria for Joint Control and Significant Influence

If the company collectively controls an arrangement with other participants in accordance with relevant agreements, and the decision on activities that have a significant impact on the return of the arrangement requires the unanimous consent of the participants sharing the control, it is deemed that the company and other participants jointly control an arrangement, the arrangement is a joint arrangement.

If the joint venture arrangement is reached through a separate entity, when it is judged that the company has rights to the net assets of the separate entity according to the relevant agreement, the separate entity is regarded as a joint venture, and the equity method is used for accounting. If it is judged that the company does not have rights to the net assets of the independent entity according to the relevant agreement, the independent entity is regarded as a joint operation.

Significant influence means that the investor has the right to participate in the decision-making of the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. Based on one or more of the following circumstances, and after

comprehensively considering all the facts and circumstances, the company judges that it has a significant impact on the investee. (1) Have representatives on the board of directors of the investee or similar authority; (2) Participate in the process of formulating financial and operating policies of the investee; (3) Have important transactions with the investee; (4) Report to the investee. The investment unit dispatches management personnel; (5) provides key technical information to the invested unit.

#### (4) Impairment test method and provision for impairment

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 investee, the company shall make the long-term equity investment in accordance with the Accounting Standards for Business Enterprises No. 8 - Asset Impairment Carry out an impairment test, if the recoverable amount is lower than the book value of the long-term equity investment, an impairment provision shall be made. Please refer to Note IV.17 for the specific method of accruing asset impairment.

## 12. Investment property

Investment real estate is real estate held to earn rentals or for capital appreciation, or both, including leased land use rights, land use rights held and ready to be transferred after appreciation, leased buildings, etc.

The investment real estate of the Company is initially measured at the cost at the time of acquisition. The cost of purchased investment real estate includes the purchase price, relevant taxes and other expenses that can be directly attributable to the asset; the cost of self-constructed investment real estate consists of the necessary expenditures incurred before the construction of the asset reaches its intended usable state.

The Company adopts the cost model for subsequent measurement of investment properties, and depreciates or amortizes them in accordance with policies consistent with those of buildings or land use rights. The categories, estimated useful lives, residual value rates and annual depreciation (amortization) rates of investment properties are listed below:

Category	Useful lives (years)	Annual depreciationRate (36)	Annual depreciationRate (%)
Housing and building	10-30	3.00	3.23-9.70

When the purpose of investment real estate is changed to self-use, the investment real estate shall be converted into fixed assets or intangible assets from the date of change. When the purpose of self use real estate is changed to earn rent or capital appreciation, from the date of change, convert fixed assets or intangible assets into investment real estate. When the conversion occurs, if it is converted into an investment real estate measured by the cost model, the book value before the conversion is used as the carry value after the conversion; if it is converted into an investment real estate measured by the fair value model, the fair value on the conversion date is used as the conversion subsequent entry value.

When the investment real estate is disposed of, or permanently withdrawn from use, and it is expected that no economic benefits can be obtained from its disposal, the investment real estate shall be derecognized. The disposal income from the sale, transfer, scrap or damage of investment real estate shall be included in the current profit and loss after deducting its book value and relevant taxes.

### 13. Fixed assets

#### (1) Fixed Assets Recognition Conditions

The company's fixed assets refer to tangible assets held for the production of commodities, provision of labor services, lease or operation and management, with a service life exceeding one fiscal year.

A fixed asset can only be recognized when the economic benefits related to the fixed asset are likely to flow into the enterprise and the cost of the fixed asset can be measured reliably.

The Company's fixed assets are initially measured at the actual cost at the time of acquisition.

#### (2) Depreciation methods for various types of fixed assets

The Company adopts the straight-line method to accrue depreciation. Depreciation of fixed assets begins when they reach the intended usable state, and ceases to be depreciated when they are derecognized or classified as non-current assets held for sale. Without considering the provision for impairment, the company determines the annual depreciation rate of various types of fixed assets according to the type of fixed assets, estimated useful life and estimated residual value as follows:

Category	Useful lives of depreciation(years)	Estimated residual value (%)	Annual depreciationRate (%)
Housing and building	10-30	3.00	3.23-9.70
Machinery and equipment	5-10	3.00	9.70-19.40
Motor vehicles	3-8	3.00	12.13-32.33
Pipe network	10-30	3.00	3.23-9.70
Electric and other equipment	3-10	3.00	9.70-32.33

Among them, for the fixed assets for which depreciation reserves have been made, the depreciation rate shall be calculated and determined by deducting the accumulated amount of the fixed assets depreciation reserves that have been made.

#### (3) Recognition basis and valuation method of fixed assets under financing lease

When the fixed assets leased by the company meet one or more of the following criteria, they are recognized as fixed assets leased by finance:

- (1)At the expiry of the lease term, the ownership of the leased asset transfers to the company.
- (2)The Company has the option to purchase the leased asset, and the purchase price entered into is expected to be much lower than the fair value of the leased asset when the option is exercised, so it is reasonably

certain that the Company will exercise this option on the lease commencement date.

(3) Even if the ownership of the asset does not transfer, the lease term constitutes the majority of the useful 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 asset on the lease commencement date.

(5) The leased assets are of a special nature, and only the company can use them without major transformation.

For fixed assets leased under finance leases, the lower of the fair value of the leased assets on the lease commencement date and the present value of the minimum lease payment is taken as the entry value. Minimum lease payments are recorded as long-term payables, and the difference is used as unrecognized financing charges. The initial direct expenses such as handling fees, attorney fees, travel expenses, and stamp duties that can be attributed to the leasing project incurred during the lease negotiation and signing of the lease contract shall be included in the value of the leased assets. Unrecognized financing costs are apportioned using the effective interest method in each period of the lease term.

Depreciation of leased assets is accrued for fixed assets under financing leases in accordance with the same policies as self-owned fixed assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, depreciation shall be accrued within the remaining useful life of the leased asset. Depreciation is accrued over the shorter of the two years.

(4) At the end of each year, the company reviews the service life, estimated net residual value and depreciation method of fixed assets.

If the estimated service life is different from the original estimate, adjust the service life of the fixed asset; if the estimated net residual value is different from the original estimate, adjust the estimated net residual value.

#### 14. Construction in progress

The Company's construction-in-progress costs are determined based on actual construction expenditures, including all necessary construction expenditures incurred during the construction period, borrowing costs that should be capitalized before the construction is ready for its intended use, and other related expenses.

For a construction in progress project, all expenditures incurred before the construction of the asset reaches its intended usable state shall be regarded as the entry value of the fixed asset. If the construction in progress of the constructed fixed assets has reached the expected usable state, but the final accounts have not yet been completed, from the date of reaching the expected usable state, according to the project budget.

cost or the actual cost of the project, the estimated value will be transferred to fixed assets. Assets, and accrue the depreciation of fixed assets according to the company's fixed asset depreciation policy. After the final settlement is completed, the original estimated value will be adjusted according to the actual cost, but the originally accrued depreciation will not be adjusted.

#### 15. Borrowing cost

Borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary expenses, and exchange differences arising from foreign currency borrowings. Borrowing costs that can be directly attributable to the acquisition, construction or production of assets eligible for capitalization have been incurred after the asset expenditure has occurred, the borrowing costs have been incurred, and the acquisition, construction or production activities necessary to make the asset ready for its intended use or sale have been completed. At the beginning, capitalization begins, when the constructed or produced assets that meet the capitalization conditions reach the predetermined usable state or saleable state, capitalization is stopped. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

The interest expense actually incurred in the current period of the special loan is capitalized after deducting the interest income obtained from the unused loan funds deposited in the bank or the investment income obtained from temporary investment; The capitalized amount is determined by multiplying the weighted average of asset expenditures by the capitalization rate of the occupied general borrowings. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the exchange differences of foreign currency special borrowings are fully capitalized; the exchange differences of foreign currency general borrowings are included in the current profit and loss.

Assets eligible for capitalization refer to assets such as fixed assets, investment properties, and inventories that require a long period of acquisition, construction or production activities to reach their intended use or sale status.

If the acquisition, construction or production of an asset that meets the capitalization conditions is abnormally interrupted and the interruption lasts for more than 3 months, the capitalization of borrowing costs shall be suspended until the acquisition, construction or production of the asset resumes.

#### 16. Intangible assets

(1) Classification, valuation method, useful life and impairment test of intangible assets



The Company's intangible assets are land use rights.

Intangible assets are initially measured at cost, and their useful lives are analyzed and judged when the intangible assets are obtained. If the useful life is limited, from the time when the intangible asset is available for use, the amortization method that can reflect the expected realization method of the economic benefits related to the asset shall be adopted and amortized within the expected useful life; if the expected realization method cannot be reliably determined, the straight-line method is used for amortization; intangible assets with indefinite useful life are not amortized.

For intangible assets with indefinite useful life, they will not be amortized during the holding period, and the life of the intangible assets will be reviewed at the end of each period. If it is still uncertain after the re-examination at the end of the period, the impairment test shall be continued in each accounting period.

## (2) Research and Development Expenditure

The Company divides expenditures for internal research and development projects into expenditures in the research phase and expenditures in the development phase.

Expenses in the research stage shall be included in the current profit and loss when incurred.

Expenditures in the development stage can be capitalized only if the following conditions are met at the same time, namely: it is technically feasible to complete the intangible asset so that it can be used or sold; there is an intention to complete the intangible asset and use or sell it; the intangible asset the method of generating economic benefits, including the existence of a market for the products produced by the use of the intangible assets or the existence of the intangible assets themselves, and the usefulness of the intangible assets to be used internally; there are sufficient technical, financial and other resources to support, in order to complete the development of the intangible asset and have the ability to use or sell the intangible asset; the expenditures attributable to the development stage of the intangible asset can be measured reliably. Development expenditures that do not meet the above conditions are included in the current profit and loss.

The company's research and development projects meet the above conditions, through technical feasibility and economic feasibility studies, after the formation of the project project, enter the development stage.

Capitalized expenditures for the development stage are listed as development expenditures on the balance sheet and are converted to intangible assets from the date when the project is ready for its intended use.

## 17. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited useful lives, investment real estate measured at cost, and long-term equity investments in

subsidiaries, joint ventures, and associates, the Company lists them in the balance sheet. Judging whether there is any sign of impairment. If there is any indication of impairment, estimate its recoverable amount and conduct an impairment test. Goodwill, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable state, regardless of whether there is any sign of impairment, are tested for impairment every year.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, an impairment provision shall be made according to the difference and included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less disposal costs and the present value of the asset's estimated future cash flows. The fair value of the asset is determined based on the price of the sales agreement in the fair transaction; if there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's bid for the asset; if there is no sales agreement and the asset has an active market, the highest available price is used. The fair value of assets is estimated based on the best information. Disposal costs include legal fees, related taxes, removal fees, and direct costs incurred in bringing the asset to marketable condition in connection with the disposal of the asset.

The present value of the expected future cash flow of the asset is determined according to the expected future cash flow generated during the continuous use and final disposal of the asset, and the discounted amount is determined by selecting an appropriate discount rate. The provision for asset impairment is calculated and confirmed 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 shall be determined based on the asset group to which the asset belongs. An asset group is the smallest group of assets that can independently generate cash inflows.

For the goodwill listed separately in the financial statements, when conducting the impairment test, the book value of the goodwill shall be apportioned to the asset group or combination of asset groups expected to benefit from the synergistic effect of the business combination. If the test results show that the recoverable amount of the asset group or combination of asset groups including the apportioned goodwill is lower than its book value, the corresponding impairment loss shall be recognized. The amount of impairment loss is first deducted from the book value of the goodwill allocated to the asset group or combination of asset groups, and then based on the proportion of the book value of other assets other than goodwill in the asset group or combination of asset groups. Deduct the book value of other assets.

Once the above-mentioned asset impairment loss is confirmed, the part whose value is recovered will not be reversed in subsequent periods.

#### **18. Long-term prepaid expenses**

Long-term deferred expenses incurred by the Company are priced at actual cost and amortized equally over the expected benefit period. For long-term amortized expense items that cannot benefit future accounting periods, the amortized value is all included in the current profit and loss.

#### **19、Employee benefits payables**

The Company's employee remuneration mainly includes short-term employee remuneration, post-employment benefits, termination benefits and other long-term employee benefits. Including:

Short-term remuneration mainly includes wages, bonuses, allowances and subsidies, employee welfare, medical insurance, maternity insurance, work-related injury insurance, housing provident fund, trade union funds, employee education funds, and non-monetary benefits. The company recognizes the actual short-term employee benefits as liabilities during the accounting period when employees provide services to the company, and includes them in the current profit and loss or related asset costs. Among them, non-monetary benefits are measured at fair value.

Post-employment benefits mainly include basic pension insurance, unemployment insurance and annuities. Post-employment benefit plans include defined contribution plans. If a defined withdrawal plan is adopted, the corresponding deposit amount shall be included in the relevant asset cost or current profit and loss when it occurs.

Terminate the labor relationship with the employee before the expiration of the labor contract, or propose compensation for the purpose of encouraging the employee to voluntarily accept the layoff. When the company cannot unilaterally withdraw the dismissal benefits provided by the labor relationship termination plan or the layoff suggestion, The employee compensation liabilities arising from the dismissal benefit shall be recognized and included in the current profit and loss on the earlier date when the company confirms the cost related to the reorganization involving the payment of dismissal benefits. However, if the dismissal benefit is not expected to be fully paid within 12 months after the end of the annual reporting period, it shall be treated as other long-term employee compensation.

The internal retirement plan of employees is treated in the same principle as the above-mentioned dismissal benefits. The company will include the salaries and social insurance premiums to be paid for internal retirees during the period from the date when employees stop providing services to the normal retirement date, and include them in the current profit and loss (dismissal welfare) when the conditions for the recognition of estimated liabilities are met.

Other long-term employee benefits provided by the Company to employees that meet the defined contribution plan shall be accounted for in accordance with the defined contribution plan, and otherwise

shall be accounted for in accordance with the defined benefit plan.

## 20. Provisions

When the obligations related to contingencies meet the following conditions at the same time, they are recognized as estimated liabilities: (1) The obligation is a current obligation undertaken by the company; (2) The performance of the obligation is likely to result in the outflow of economic benefits; (3) The amount of the obligation can be measured reliably.

On the balance sheet date, taking into account factors such as risks, uncertainties and time value of money related to contingent events, the estimated liabilities are measured according to the best estimate of the expenditure required to perform the relevant current obligations.

If all or part of the expenses required to settle the estimated liabilities are expected to be compensated by a third party, the compensation amount shall be recognized separately as an asset when it is basically confirmed that it can be received, and the confirmed compensation amount does not exceed the book value of the estimated liabilities.

## 21. Revenue

### (1) Sales of goods

The principal risks and rewards of ownership of the goods have been transferred to the buyer, neither the continuing management rights normally associated with ownership nor effective control over the goods sold have been retained, the amount of revenue can be reliably measured, and the associated economic benefits. It is probable that it will flow into the enterprise and the related costs incurred or to be incurred can be measured reliably, and the realization of revenue from the sale of goods is recognized.

### (2) Provide labor income

Provided that the result of the rendering of labor service transactions can be reliably estimated, the income from rendering of labor services shall be recognized according to the percentage of completion method on the balance sheet date. The completion progress of labor transaction is determined according to the measurement of completed work/the proportion of labor services provided to the total amount of labor services to be provided/the proportion of labor costs that have occurred to the estimated total cost.

Reliable estimation of the outcome of a transaction of providing labor services means that: (1) the amount of income can be measured reliably; (2) it is probable that the relevant economic benefits will flow into the enterprise; (3) the degree of completion of the transaction can be reliably determined; (4) the transaction has occurred and will occur in the transaction; costs can be measured reliably.

If the result of the transaction of providing labor services cannot be estimated reliably, the income from the

rendering of labor services shall be recognized according to the amount of labor service costs that have occurred and are expected to be compensated, and the incurred labor service costs shall be regarded as current expenses. If the labor cost that has already occurred is not expected to be compensated, no income will be recognized.

When the contracts or agreements signed by the company with other enterprises include the sale of goods and the provision of labor services, if the part of the sale of goods and the part of the provision of labor services can be distinguished and measured separately, the part of the sales of goods and the part of the provision of labor services shall be treated separately; If the labor part cannot be distinguished, or if it can be distinguished but cannot be measured separately, the whole contract shall be treated as a sales commodity.

### (3) Revenue recognition method

**Real estate sales income:** The realization of sales income is confirmed when the real estate is completed and accepted, the sales contract is signed, and the buyer's payment certificate is obtained and delivered for use. If the buyer receives a written delivery notice and refuses to accept it without justifiable reasons, the realization of the income shall be confirmed after the delivery time limit confirmed by the written delivery notice expires.

**Real estate rental income:** The realization of rental income is confirmed according to the date and amount of rent paid by the lessee as stipulated in the contract or agreement signed with the lessee.

## 22、Government subsidies

Government grants refer to the monetary assets and non-monetary assets obtained by the company from the government free of charge, excluding the capital invested by the government as an investor and enjoying the corresponding owner's rights and interests. Government grants are divided into asset-related government grants and income-related government grants. The company defines the government grants obtained for the purchase and construction or forming long-term assets in other ways as government grants related to assets; other government grants are defined as government grants related to income. If the government documents do not clearly specify the subsidy objects, the subsidy funds are divided into government subsidies related to income and government subsidies related to assets in the following ways:(1) If the government document clarifies the specific project for which the subsidy is aimed, the budget for the specific project shall be divided according to the relative proportion of the amount of expenditure that forms the asset and the amount of expenditure that is included in the cost. Review on the balance sheet date and make changes if necessary;(2) The purpose in the government documents is only a general expression, and if no specific project is specified, it is regarded as a government grant related to the income. If the

government grant is a monetary asset, it shall be measured according to the amount received or receivable.

If the government grant is a non-monetary asset, it shall be measured at its fair value; if the fair value cannot be obtained reliably, it shall be measured at its nominal amount. Government subsidies measured at the nominal amount are directly included in the current profit and loss.

Government grants related to assets are recognized as deferred income, and are included in the current profit and loss in a reasonable and systematic manner within the useful life of the relevant assets.

Government grants related to income, if used to compensate for related costs or losses in subsequent periods, are recognized as deferred income, and are included in the current profit and loss during the period in which the related costs or losses are recognized; they are used to compensate for the related costs that have already occurred, or loss, directly included in the current profit and loss.

At the same time, the government grants that include the asset-related part and the income-related part are classified into different parts and accounted for separately; if it is difficult to distinguish, the whole is classified as income-related government grants.

Government grants related to the company's daily activities are included in other income or offset related costs according to the essence of economic business; government grants unrelated to daily activities are included in non-operating income and expenses.

When the confirmed government grant needs to be returned, if there is a balance of relevant deferred income, the book balance of the relevant deferred income shall be offset, and the excess shall be included in the current profit and loss; in other cases, it shall be directly included in the current profit and loss.

### **23. Deferred income tax assets and liabilities**

#### **(1) Current income tax**

On the balance sheet date, the current income tax liabilities (or assets) formed in the current period and previous periods shall be measured by the expected amount of income tax payable (or refunded) calculated in accordance with the provisions of the tax law. The taxable income on which the income tax expense for the current period is calculated is calculated after making corresponding adjustments to the pre-tax accounting profit for the reporting period in accordance with the relevant tax laws.

#### **(2) Deferred tax assets and deferred tax liabilities**

Differences between the book values of certain assets and liabilities and their tax bases, and the differences between the book values and tax bases of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with tax laws. For temporary differences, deferred tax assets and deferred tax liabilities are recognized using the balance sheet liability method.



Taxable temporary in connection with the initial recognition of goodwill and in connection with the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor affects accounting profit and taxable income (or deductible loss) when it occurs. The related deferred tax liabilities will not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the company can control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future, and the related deferred tax liabilities will not be recognized. Except for the above exceptions, the Company recognizes deferred income tax liabilities arising from all other taxable temporary differences. Deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor affect accounting profits and taxable income (or deductible losses) at the time of their occurrence shall not be recognized. Deferred tax assets. In addition, for deductible temporary differences related to investments in subsidiaries, associates and joint ventures, if it is not probable that the temporary difference will reverse in the foreseeable future, or it is not probable that the temporary difference will be available against which a deduction can be made in the future. The taxable income of temporary differences shall not be recognized as related deferred tax assets. Except for the above exceptions, the Company recognizes deferred income tax assets arising from other deductible temporary differences within the limit of the taxable income that is likely to be obtained to offset the deductible temporary differences.

For deductible losses and tax credits that can be carried forward to future years, the corresponding deferred tax assets are recognized to the extent that the future taxable income that is likely to be used to deduct the deductible losses and tax credits is limited.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are repaid according to the tax laws.

On the balance sheet date, review the book value of deferred tax assets, and write down the book value of deferred tax assets if it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred tax assets. The write-down amount is reversed when it is probable that sufficient taxable income will be obtained.

### (3) Income tax expense

Income tax expense includes current income tax and deferred income tax.

Except for the current income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly included in shareholders' equity, and the deferred income tax

arising from business combination to adjust the book value of goodwill, the remaining Current income tax and deferred income tax expenses or gains are included in current profit and loss.

#### (4) Offset of income tax

When the Company has the legal right to settle on a net basis and intends to settle on a net basis or to acquire assets and settle liabilities simultaneously, the Company's current income tax assets and current income tax liabilities are presented on a net basis after offsetting.

When it has the legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection authority on the same taxpayer or are related to different taxpayers. However, in each future period when significant deferred income tax assets and liabilities are reversed, when the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or obtain assets and pay off liabilities at the same time, the company deferred income tax Assets and deferred tax liabilities are presented on a net basis after offsetting.

### 24. Leasing

A financial lease is a lease that substantially transfers all risks and rewards related to the ownership of an asset, and its ownership may or may not be transferred eventually. Leases other than finance leases are operating leases.

#### (1) The company records the operating lease business as the lessee

Rental expenses under operating leases are included in the cost of relevant assets or current profit and loss on a straight-line basis over each period of the lease term. The initial direct costs are included in the current profit and loss. Contingent rentals are included in the current profit and loss when they are actually incurred.

#### (2) The company records the operating lease business as the lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over each period of the lease term. The initial direct costs with a relatively large amount are capitalized when incurred, and are included in the current profit and loss on the same basis as the rental income recognized during the entire lease period; other initial direct costs with a smaller amount are included in the current profit and loss when incurred. Contingent rentals are included in the current profit and loss when they are actually incurred

#### (3) The company records the financial leasing business as the lessee

On the commencement date of the lease term, the lower of the fair value of the leased asset on the lease

commencement date and the present value of the minimum lease payment shall be taken as the entry value of the leased asset, and the minimum lease payment shall be taken as the entry value of long-term payables. The difference is treated as unrecognized financing expenses. In addition, the initial direct costs attributable to the leased item that occurred during the lease negotiation and signing of the lease contract are also included in the value of the leased assets. The balance of the minimum lease payments after deducting unrecognized financing expenses is presented separately as long-term liabilities and long-term liabilities due within one year.

Unrecognized financing expenses are calculated and recognized in the current period using the effective interest rate method during the lease period. Contingent rentals are included in the current profit and loss when they are actually incurred.

(4) The company records the financial leasing business as the lessor

On the start date of the lease period, the sum of the minimum lease receipts and the initial direct expenses on the lease start date is taken as the entry value of the finance lease receivables, and the unguaranteed residual value is recorded. The difference between the sum of the residual value of the guarantee and the sum of its present value is recognized as unrealized financing income. The balance of financial lease receivables after deducting unrealized financing income is presented separately as long-term claims and long-term claims due within one year.

The unrealized financing income shall be calculated and recognized as the current financing income by using the effective interest rate method during the lease period. Contingent rentals are included in the current profit and loss when they are actually incurred.

## 25、Critical accounting estimates and judgements

In the process of applying accounting policies, the company needs to make judgments, estimates and assumptions about the book value of statement items that cannot be accurately measured due to the inherent uncertainty of operating activities. These judgments, estimates and assumptions are made based on the past historical experience of the management of the Company and other relevant factors. These judgments, estimates and assumptions affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the balance sheet date. However, uncertainties in these estimates could result in significant adjustments to the carrying amounts of assets or liabilities affected in the future.

The company conducts continuous evaluation on the aforementioned judgments, estimates and assumptions on the basis of going concern. If the change in accounting estimates only affects the current period of change, the amount of impact will be recognized in the current period of change; if it affects both the

current period of change and future periods, the The amount of influence is recognized in the current and future periods of the change

On the balance sheet date, important accounting estimates and key assumptions that are likely to cause significant adjustment risk to the book value of assets and liabilities in the next fiscal year are listed below:

(1) Classification of leases

The company classifies leases as operating leases and finance leases in accordance with the provisions of the Accounting Standards for Business Enterprises No. 21 - Leases. When classifying, the management needs to determine whether all risks related to the ownership of leased assets have been identified. Make analysis and judgment on whether the company has substantially assumed all the risks and rewards related to the ownership of the leased assets.

(2) Bad debt provisions

The Company adopts the allowance method to account for bad debt losses according to the accounting policy for accounts receivable. Impairment of accounts receivable is based on assessing the recoverability of accounts receivable. Identifying receivables for impairment requires management's judgement and estimates. The difference between the actual result and the original estimate will affect the book value of accounts receivable and the provision or reversal of bad debt provision for accounts receivable in the period in which the estimate is changed.

(3) Inventory impairment

According to the inventory accounting policy, the company measures at the lower of cost and net realizable value. For inventories whose cost is higher than net realizable value and obsolete and slow-moving, provision for inventory depreciation is made. The impairment of inventories to net realisable value is based on an assessment of the marketability of inventories and their net realisable value. Identifying the impairment of inventories requires management to make judgments and estimates on the basis of obtaining conclusive evidence and considering factors such as the purpose of holding inventories and the impact of events after the balance sheet date. The difference between the actual result and the original estimate will affect the book value of inventories and the accrual or reversal of the provision for impairment of inventories in the period in which the estimate is changed.

(4) Fair value of financial tools

For financial instruments that do not have an active trading market, the Company determines their fair value through various valuation methods. These valuation methods include discounted cash flow model analysis, etc. During valuation, the company needs to estimate future cash flow, credit risk, market

volatility and correlation, and select an appropriate discount rate. These relevant assumptions are uncertain, and their changes will have an impact on the fair value of financial instruments.

(5) Held-to-maturity investment

The Company classifies eligible non-derivative financial assets with fixed or determinable repayment amounts and fixed maturity dates that the Company has the clear intention and ability to hold to maturity as held-to-maturity investments. There is a great deal of judgement involved in making this categorization. In the process of making judgments, the company will evaluate its willingness and ability to hold such investments to maturity. Except in certain circumstances (such as the sale of insignificant investments close to maturity), if the Company fails to hold these investments until maturity, all such investments must be reclassified to available-for-sale financial assets, and the financial asset shall not be classified as held-to-maturity investment in the current fiscal year and the following two complete fiscal years. If such a situation occurs, it may have a significant impact on the value of the relevant financial assets reported in the financial statements, and may affect the company's financial instrument risk management strategy.

(6) Held-to-maturity investment impairment

The Company's determination of whether held-to-maturity investments are impaired depends largely on the judgment of management. Objective evidence of impairment includes the issuer's severe financial difficulties that prevent the financial asset from continuing to trade in an active market, and the inability to perform contractual terms (for example, default in repayment of interest or principal). In the process of making judgments, the company needs to evaluate the impact of objective evidence of impairment on the estimated future cash flow of the investment.

(7) Available for the sale of financial assets impairment

The Company's determination of whether the available-for-sale financial assets are impaired depends to a large extent on the management's judgments and assumptions to determine whether the impairment loss needs to be recognized in the income statement. In the process of making judgments and assumptions, the company needs to evaluate the extent to which the fair value of the investment is lower than the cost and the duration, as well as the financial status and short-term business prospects of the investee, including industry conditions, technological changes, and credit ratings, default rates and counterparty risk.

(8) Depreciation and amortization

After considering the residual value of investment real estate, fixed assets and intangible assets, the company provides depreciation and amortization on a straight-line basis over their useful lives. The Company periodically reviews the useful life to determine the amount of depreciation and amortization that

will be charged to each reporting period. The service life is determined by the company based on the past experience of similar assets and the expected technical update. Depreciation and amortization expense is adjusted in future periods if there are material changes from previous estimates.

#### (9) Income tax expenses

In the normal business activities of the company, there are certain uncertainties in the final tax treatment and calculation of some transactions. Whether some items can be listed as disbursements before tax requires the approval of the tax authorities. If there is a difference between the final determination result of these tax matters and the initially estimated amount, the difference will have an impact on the current income tax and deferred income tax during the final determination period.

### 26. Significant changes in accounting policies and accounting estimates

#### (1) Significant changes in accounting policies

There were no significant changes in the Company's accounting policies during the year.

#### (2) Significant changes in accounting estimates

There were no significant changes in the Company's accounting estimates during the year.

### 27. Prior accounting error correction

No Prior accounting error correction during the year.

## V. TAX

### 1. Preferential tax policy and rate

Tax Type	Tax basis details
Value-added tax ("VAT")	Based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period, the difference paid tax rate 5%
Education Surcharge	Based on transfer tax paid rate 3%
Local education Surcharge	Based on transfer tax paid rate 2%
Urban maintenance and construction tax	Based on transfer tax paid rate 7%
Price adjustment fund	Based on transfer tax paid rate 0.7%
Enterprise income tax	Based on taxable profits paid rate 25%

### 2. Tax incentives and approvals

There was no preferential tax policy during the reporting period.

## VI. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENT

The following note items (Unless otherwise indicated, the currency unit is Ruanminbi Yuan and the opening balance refers to the balance as at 1 January 2020, closing balance 31 December 2021, Current period 2020



and Last period 2019 )

## 1. Monetary fund

Items	Closing balance	Opening balance
Cash	195,790.86	158,890.35
Bank deposit	1,869,680,217.73	1,769,905,939.07
Other currency	483,650,000.00	66,000,000.00
Total	2,353,526,008.59	1,836,074,829.42
Including: Total overseas deposits		

Including: Restricted funds details as follows:

Items	Closing balance	Opening balance
Bank acceptance bill deposit	388,000,000.00	
Time deposit certificate	95,680,000.00	66,000,000.00
Total	483,680,000.00	66,000,000.00

## 2. Notes receivable

Items	Closing balance	Opening balance
Bank acceptance bills		1,000,000.00
Total		1,000,000.00

## 3. Accounts receivable

Items	Closing balance	Opening balance
Accounts receivable	3,089,027,611.45	730,091,262.29
Total	3,089,027,611.45	730,091,262.29

(1) Accounts receivable shown by classification

Type	Closing balance				
	Amount	Percentage %	Bad debt Provision	Percentage %	Book Value
Accounts receivable with individual significance and individually accruing bad debt provision					
The receivables prepared by the credit risk characteristics are combined to calculate the bad accounts					
Including: aging portfolio	13,865,768.51	0.45	248,985.52	1.80	13,616,782.99
risk free portfolio	3,075,410,828.46	99.55			3,075,410,828.46
Credit Risk Characteristics Portfolio Subtotal	3,089,278,596.97	100.00	248,985.52	0.01	3,089,027,611.45
Accounts receivable without individual significance but individually accruing bad debt provision					
Total	3,089,278,596.97	100.00	248,985.52	0.01	3,089,027,611.45

(Continued)

Type	Opening balance				
	Amount	Percentage %	Bad debt Provision	Percentage %	Book Value

Accounts receivable with individual significance and individually accruing bad debt provision					
The receivables prepared by the credit risk characteristics are combined to calculate the bad accounts					
Including: aging portfolio	11,711,161.26	1.60	179,231.64	1.53	11,531,929.62
risk free portfolio	718,559,332.67	98.40			718,559,332.67
Credit Risk Characteristics Portfolio Subtotal	730,270,493.93	100.00	179,231.64	0.02	730,091,262.29
Accounts receivable without individual significance but individually accruing bad debt provision					
Total	730,270,493.93	100.00	179,231.64	0.02	730,091,262.29

## ① In the portfolio, accounts receivable with provision for bad debts based on aging analysis method

Aging	Closing balance		
	Carrying Amount	Bad debt Provision	Percentage %
Within 1 year (including 1 year)	13,241,819.11		
1-2 years (including 2 years)			10.00
2-3 years (including 3 years)	536,948.40	160,784.52	30.00
3-4 years (including 4 years)			50.00
4-5 years (including 5 years)			80.00
Above 5 years	88,201.00	88,201.00	100.00
Total	13,865,768.51	248,985.52	—

(Continued)

Aging	Opening balance		
	Carrying Amount	Bad debt Provision	Percentage %
Within 1 year (including 1 year)	10,987,053.86		
1-2 years (including 2 years)	592,306.40	59,230.64	10
2-3 years (including 3 years)			30
3-4 years (including 4 years)	53,600.00	31,800.00	50
4-5 years (including 5 years)			80
Above 5 years	88,201.00	88,201.00	100
Total	11,711,161.26	179,231.64	—

## ② In the portfolio, accounts receivable for which bad debt provision is made using risk-free portfolio

Names	Closing balance		
	Carrying Amount	Bad debt Provision	Percentage %
Government units	3,075,410,828.46		
Total	3,075,410,828.46		

(Continued)

Names	Opening balance		
	Carrying Amount	Bad debt Provision	Percentage %
Government units	718,559,332.67		

Total	718,659,332.87		
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## (2) Details of the top 5 parties with largest balances

Names	Amount	Bad debt Provision	Percentage of total %
Banan District Land Reserve Center	1,611,838,168.34		52.18
Chongqing Banan Economic Park Investment Industry Co., Ltd.	1,412,320,741.66		45.72
Chongqing Banan Economic Park Construction Industry Co., Ltd.	39,220,687.66		1.27
Chongqing Vocational and Technical Education City Construction Co., Ltd.	2,248,100.00		0.08
Government Affairs Center on the first and second floors of the Construction Committee	2,434,344.00		0.07
Total	3,088,082,041.66		99.32

## 4. Prepayments

## (1) Disclosure of prepayments by aging

Aging	Closing balance		Opening balance	
	Amount	Percentage %	Amount	Percentage %
Within 1 year (including 1 year)	80,664,798.52	60.38	15,076,124.00	23.86
1-2 years (including 2 years)	12,013,716.79	8.00	2,802,093.87	4.45
2-3 years (including 3 years)	2,487,890.67	1.85	45,060,000.00	71.59
Above 3 years	45,003,000.00	29.97		
Total	150,169,206.98	100.00	62,828,217.87	100.00

## (2) Details of top 5 owing parties with the largest advances paid

Names	Amount	Percentage of total %	Age
Chongqing Lugu Development and Construction Co., Ltd.	45,000,000.00	29.97	3-4 years
Military Grain Supply Management Station in Banan District, Chongqing	40,143,500.00	26.73	Within 1 year
Chongqing Xinchitong Real Estate Development Co., Ltd.	29,000,000.00	19.31	Within 1 year
Chongqing Banan District Office Affairs Center	18,444,900.00	12.28	Within 1 year
Shandong Junhui Construction Group Co., Ltd.	3,025,155.94	2.01	1-2 years
Total	135,608,555.94	90.30	

## 5. Other receivables

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other Receivables	1,394,335,184.65	2,150,251,394.77
Total	1,394,335,184.65	2,150,251,394.77

## (1) Other receivables categorized by nature

Types	Closing balance				
	Carrying Value	Percentage %	Bad debt Provision	Percentage %	Book Value

Other receivables with individual significance and individually accruing bad debt provision					
According to the credit risk characteristics, other receivables prepared by the bad account					
Including: aging portfolio	64,020,853.21	4.49	30,753,531.02	48.04	33,267,322.19
risk free portfolio	1,361,067,862.48	95.51			1,361,067,862.48
Credit Risk Characteristics Portfolio Subtotal	1,425,088,715.67	100.00	30,753,531.02	2.16	1,394,335,184.65
Other receivables without individual significance but individually accruing bad debt provision					
Total	1,425,088,715.67	100.00	30,753,531.02	2.16	1,394,335,184.65

(Continued)

Types	Opening balance				
	Carrying Value	Percentage %	Bad debt Provision	Percentage %	Book Value
Other receivables with individual significance and individually accruing bad debt provision					
According to the credit risk characteristics, other receivables prepared by the bad account					
Including: aging portfolio	126,261,818.12	5.81	24,230,241.84	19.19	102,031,576.48
risk free portfolio	2,048,219,818.29	94.19			2,048,219,818.29
Credit Risk Characteristics Portfolio Subtotal	2,174,481,636.41	100.00	24,230,241.84	1.11	2,150,251,394.77
Other receivables without individual significance but individually accruing bad debt provision					
Total	2,174,481,636.41	100.00	24,230,241.84	1.11	2,150,251,394.77

① In the portfolio, other receivables for which bad debt provision is made according to the aging analysis method

Aging	Closing balance		
	Amount	Bad debt Provision	Percentage %
Within 1 year (including 1 year)	17,527,253.98		
1-2 years (including 2 years)	1,214,313.70	121,431.37	10.00
2-3 years (including 3 years)	5,130,421.70	1,539,126.51	30.00
3-4 years (including 4 years)	10,139,700.88	5,069,850.35	50.00
4-5 years (including 5 years)	29,930,201.77	23,944,161.42	80.00
Above 5 years	78,961.38	78,961.38	100.00
Total	64,020,853.21	30,753,531.03	—

(Continued)

Aging	Opening balance		
	Amount	Bad debt Provision	Percentage %
Within 1 year (including 1 year)	61,748,808.78		
1-2 years (including 2 years)	6,837,168.60	683,716.96	10.00

2-3 years (including 3 years)	27,231,953.90	8,169,586.17	30.00
3-4 years (including 4 years)	29,343,744.87	14,975,372.44	50.00
4-5 years (including 5 years)	32,874.62	26,299.68	96.00
Above 5 years	370,266.39	370,266.39	100.00
Total	128,261,819.12	24,233,241.64	—

(2) In the portfolio, other receivables for which bad debt provision is made using the risk-free portfolio

Portfolio content	Closing balance		Percentage %
	Amount	Bad debt Provision	
Risk-free portfolio	1,351,057,862.46		
Total	1,351,057,862.46		

(Continued)

Portfolio content	Opening balance		Percentage %
	Amount	Bad debt Provision	
Risk-free portfolio	2,046,219,818.29		
Total	2,046,219,818.29		

(2) Details of the top 5 owning parties with largest balances

Names	Amount	Age	Percentage of total %
Chongqing Banan Economic Park Investment Industrial Co., Ltd.	587,879,266.34	Within 1 year	41.24
Chongqing Chongnan Water Conservancy Development Co., Ltd.	236,567,799.14	Within 1 year, 2-3 years	16.60
Banan Dam Area Work Management Committee of Chongqing Changjiang Xiaolang Power Station Project	11,398,850.00	1-2 year, Above 5 years	7.86
Chongqing Mada Riverside Development Investment Co., Ltd.	80,000,000.00	1-2 years	5.86
Chongqing South Hot Spring Tourism Development Co., Ltd.	58,129,958.45	Within 1 year	4.78
Total	1,084,375,865.97		76.44

## 6. Inventories

(1) Categories of inventories

Items	Closing balance			Opening balance		
	Carrying Amount	Provision for impairment	Book Value	Carrying Amount	Provision for impairment	Book Value
Raw materials	1,524,267.76		1,524,267.76	2,353,907.05		2,353,907.05
Stored commodities	2,337,078.91		2,337,078.91	2,368,491.78		2,368,491.78
Developing cost	12,471,612,827.19		12,471,612,827.19	11,945,584,350.88		11,945,584,350.88
Low-valued consumables	3,476,750.79		3,476,750.79	3,476,750.79		3,476,750.79
Total	12,479,077,233.95		12,479,077,233.95	11,954,783,495.51		11,954,783,495.51

## 7. Other current assets

Items	Closing balance	Opening balance
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Prepaid tax fund	34,888,868.73	24,397,392.64
Financial management product	2,500,000.00	37,500,000.00
Total	37,388,868.73	61,897,392.64

## 8. Available-for-sale financial assets

## (1) Available-for-sale financial assets overview

Items	Closing balance			Opening balance		
	Carrying Amount	Provision for impairment	Book Value	Carrying Amount	Provision for impairment	Book Value
Available-for-sale debt instruments						
Available-for-sale equity instruments	38,970,000.00		38,970,000.00	38,970,000.00		38,970,000.00
Measured at fair value						
Measured as cost method	38,970,000.00		38,970,000.00	38,970,000.00		38,970,000.00
Total	38,970,000.00		38,970,000.00	38,970,000.00		38,970,000.00

## (2) Available-for-sale financial assets measured as cost method

Investee	Carrying Amount			
	Opening balance	Increase in the year	Decrease in the year	Closing balance
Chongqing Banan Pudong Development Bank Villages and Towns, Ltd.	5,000,000.00			5,000,000.00
Chongqing Guanjingkou Water Conservancy Development Co., Ltd.	800,000.00			800,000.00
Chongqing Banan District Daxijiao Water Supply Co., Ltd.	210,000.00			210,000.00
Chongqing Nanchong Water Co., Ltd.	300,000.00			300,000.00
Chongqing Banan Xingrong Financial Guarantee Co., Ltd.	30,000,000.00			30,000,000.00
Chongqing Yujian Science and Trade Group Co., Ltd.	2,660,000.00			2,660,000.00
Total	38,970,000.00			38,970,000.00

(Continued)

Investee	Provision for impairment				Shareholding ratio in the invested unit %	Current cash dividend
	Opening balance	Increase in the year	Decrease in the year	Closing balance		
Chongqing Banan Pudong Development Bank Villages and Towns, Ltd.					10.00	
Chongqing Guanjingkou Water Conservancy Development Co., Ltd.					0.11	
Chongqing Banan District Daxijiao Water Supply Co., Ltd.					6.95	
Chongqing Nanchong Water Co., Ltd.					8.55	
Chongqing Banan Xingrong Financial Guarantee Co., Ltd.					15.08	
Chongqing Yujian Science and Trade Group Co., Ltd.					8.87	
Total					--	



## 9. Long-term receivables

Items	Closing balance			Opening balance		
	Carrying Amount	Provision for impairment	Book Value	Carrying Amount	Provision for impairment	Book Value
Financial lease security deposit	134,606,697.98		134,606,697.98	60,544,697.86		60,544,697.86
Less: Unrecognized financing income	11,435,654.06		11,435,654.06	6,455,302.14		6,455,302.14
Total	123,171,043.92		123,171,043.92	54,089,395.72		54,089,395.72

## 10. Investment properties

## Investment property measured with cost model

Items	Houses and structures	Total
1. Opening balance	1,562,317,978.09	1,562,317,978.09
2. Amount increase or decrease in current period	320,034,975.55	320,034,975.55
Add: External purchases		
Transfer of inventories, fixed assets and construction in progress	156,267,719.64	156,267,719.64
Increase in business combination		
Add: Fair value movement	163,767,255.91	163,767,255.91
Less: Disposal		
Other transfers out		
3. Closing balance	1,882,352,953.64	1,882,352,953.64

## 11. Fixed assets

## Fixed assets overview

Items	House and building	Machinery and equipment	Main vehicles	Electric and other equipment	Pipe network	Total
I. Original carrying value						
1. Opening balance	86,970,967.57	8,482,428.30	14,503,704.30	8,181,804.55	29,753,387.43	147,892,272.15
2. Increase in the year	9,989,270.81	658,530.14	109,408.06	335,510.60	7,776,883.43	18,869,603.08
Acquisition		658,530.14	109,408.06	335,510.60	7,776,883.43	8,880,332.25
Transfer from construction in progress	9,989,270.81					9,989,270.81
Increase in corporation mergers						
3. Decrease in the year		1,198,003.86	330,537.38	1,023,309.01		2,551,850.25
Disposal or scrap		1,198,003.86	330,537.38	1,023,309.01		2,551,850.25
Others						
4. Closing balance	96,960,238.38	7,942,954.58	14,282,575.00	7,494,006.14	37,530,250.86	164,210,024.96
II. Accumulated depreciation						
1. Opening balance	21,489,889.38	8,423,196.15	12,174,861.29	8,533,430.73	10,228,564.80	58,869,943.35
2. Increase in the year	2,714,622.72	436,804.00	404,107.55	441,432.26	6,495,899.10	10,492,862.66

Items	House and building	Machinery and equipment	Motor vehicles	Electric and other equipment	Pipe network	Total
Provision	2,714,622.72	436,801.03	404,107.55	441,432.26	6,496,899.10	10,492,862.66
Increase in corporation mergers						
3.Decrease in the year		1,063,030.98	294,747.92	1,058,781.90		2,444,540.80
Disposal or scrap		1,063,030.98	294,747.92	1,058,781.90		2,444,540.80
Others						
4.Closing balance	24,204,522.10	7,796,968.20	12,284,260.92	5,918,101.09	16,725,463.90	66,899,316.21
III. Provision for impairment						
1.Opening balance						
2.Increase in the year						
3.Decrease in the year						
4.Closing balance						
IV. Book Value						
1.Closing balance	72,755,716.26	175,986.38	1,998,314.08	1,575,905.05	20,804,788.96	97,310,708.75
2.Opening balance	66,481,058.19	58,230.15	2,328,803.01	1,848,373.82	19,523,802.63	89,941,277.80

## 12. Construction in progress

## (1) Description of construction in progress

Items	Closing balance			Opening balance		
	Carrying Amount	Provision for impairment	Book Value	Carrying Amount	Provision for impairment	Book Value
Yujiang Drinking Water Project	186,570,685.12		186,570,685.12	174,181,351.12		174,181,351.12
Yunan drainage project	112,262,717.26		112,262,717.26	97,193,841.74		97,193,841.74
Parking lot renovation and maintenance works	178,885.00		178,885.00	178,885.00		178,885.00
Jiazhaoye Plaza Phase II	40,935,863.76		40,935,863.76	17,521,060.71		17,521,060.71
Jiazhaoye Office	25,138,932.39		25,138,932.39	26,055,244.67		26,055,244.67
Jiazhaoye Parking Space	4,481,000.20		4,481,000.20	2,506,714.40		2,506,714.40
Archives	220,822.25		220,822.25	220,822.25		220,822.25
Total	369,768,905.98		369,768,905.98	317,657,919.89		317,657,919.89

## (2) Changes in significant constructions in progress for the current period

Projects	Opening balance	Increase in the year	Decrease in the year	Amount transferred to fixed assets	Closing balance
Yujiang Drinking Water Project	174,181,351.12	12,389,334.00			186,570,685.12
Yunan drainage project	97,193,841.74	25,116,803.51	58,657.18	9,989,270.81	112,262,717.26
The new temporary parking lot and the rectification and maintenance project of the original parking lot on Babin Road	178,885.00				178,885.00
Jiazhaoye Plaza Phase II	17,521,060.71	23,414,803.05			40,935,863.76
Jiazhaoye Office	26,055,244.67		916,312.28		25,138,932.39

Projects	Opening balance	Increase in the year	Decrease in the year	Amount transferred to fixed assets	Closing balance
Jinzhaoye Parking Space	2,506,714.40	1,964,285.80			4,461,000.20
Archives	220,822.25				220,822.25
Total	317,857,919.89	62,875,226.36	974,969.45	9,889,270.81	369,768,906.98

## 13. Intangible assets

## Description of intangible assets

Items	Software	Total
I. Original carrying value		
1. Opening balance	511,879.99	511,879.99
2. Increase in the year		
(1) Purchase		
(1) Shareholder input		
3. Decrease in the year		
(1) Other transfer out		
4. Closing balance	511,879.99	511,879.99
II. Accumulated amortization		
1. Opening balance	494,654.73	494,654.73
2. Increase in the year	10,451.96	10,451.96
(1) Provision	10,451.96	10,451.96
3. Decrease in the year		
(1) Other transfer out		
4. Closing balance	505,106.69	505,106.69
III. Provision for impairment		
1. Opening balance		
2. Increase in the year		
3. Decrease in the year		
4. Closing balance		
IV. Book Value		
1. Closing balance	6,773.30	6,773.30
2. Opening balance	17,225.26	17,225.26

## 14. Long-term unamortized expenses

Items	Opening balance	Increase in the year	Amortisation for the year	Decrease in the year	Closing balance
Bond issue fee	4,714,285.61		1,285,714.32		3,428,571.29
Renovation costs	106,702.20		75,510.60		30,191.60
Mudonghe Street Decoration	1,816,217.99		871,451.80		1,044,766.19
Total	6,736,205.80		2,232,676.72	-	4,503,529.08

## 15. Deferred income tax assets

## (1) Deferred tax assets that are not offset

Items	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment of assets	31,002,516.54	7,750,629.15	24,409,473.28	6,102,368.34
Total	31,002,516.54	7,750,629.15	24,409,473.28	6,102,368.34

## (2) Deferred tax liabilities that are not offset

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax Liabilities	Taxable temporary differences	Deferred tax Liabilities
Changes in fair value of investment properties	838,676,294.82	209,999,073.70	674,909,038.92	168,727,259.73
Deferred revenue	2,500,671.20	625,167.60		
Total	841,176,966.02	210,294,241.50	674,909,038.92	168,727,259.73

## 16. Other non-current assets

Items	Closing balance	Opening balance
Reservoir assets	3,779,184,700.00	3,779,184,700.00
Pipe network assets	170,673,500.00	170,673,500.00
Forest tenure assets etc	3,808,654,661.83	3,808,654,661.83
Mudong Flood Control	763,552,661.12	
Buildings and house assets	364,908,900.00	
Financial management product	338,882,600.00	319,862,500.00
Total	9,223,927,322.95	8,078,375,561.83

## 17. Short-term borrowings

Items	Closing balance	Opening balance
Mortgage loan	29,000,000.00	39,000,000.00
Guaranteed loan	145,650,000.00	200,000,000.00
The pledge loan	95,650,000.00	
Credit borrowings	100,000,000.00	
Guaranteed loan + The pledge loan	95,650,000.00	
Total	465,950,000.00	239,000,000.00

## 18. Notes payable

Items	Closing balance	Opening balance
Commercial Acceptance Bills	568,000,000.00	132,000,000.00
Total	568,000,000.00	132,000,000.00

## 19. Accounts payable

Items	Closing balance	Opening balance
Accounts payable	936,236,100.83	214,159,220.77
Total	936,236,100.83	214,159,220.77

## (1) Presented by accounts payable

Aging	Closing balance	Opening balance
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	Amount	Percentage%	Amount	Percentage%
Within 1 year	799,644,591.64	85.41	101,580,776.33	47.43
1-2 years	58,900,155.47	6.25	5,463,193.90	2.55
2-3 years	3,856,567.80	0.41	17,318,051.23	8.09
Above 3 years	74,234,785.92	7.93	89,797,199.71	41.93
Total	936,236,100.83	100.00	214,159,220.77	100.00

## (2) Details of the top 5 owning parties with largest balances

Names	Amount	Age	Percentage%
Chongqing Malin Riverside Development Investment Co., Ltd.	745,464,083.68	Within 1 year	79.62
Land Acquisition Office of the People's Government of Banan District, Chongqing	85,000,000.00	1-5 years	9.08
Chongqing Yuansheng Construction Engineering Company	19,070,759.43	Within 1 year	2.04
China Coal International Technical Cooperation Corporation	17,621,289.54	Above 5 years	1.90
Chongqing Banan District Education Committee	9,960,000.00	Within 1 year	1.06
Total	877,306,131.62	—	93.70

## 20. Receipts in advance

## (1) Receipts in advance overview

Aging	Closing balance		Opening balance	
	Amount	Percentage %	Amount	Percentage %
Within 1 year	1,472,334,316.11	99.90	304,796,745.45	99.38
1-2 years	1,137,739.71	0.08	775,246.17	0.26
2-3 years	400,595.57	0.02	1,161,724.81	0.36
Above 3 years	7,366.82			
Total	1,473,880,008.21	100.00	306,683,716.43	100.00

## (2) Details of the top 5 owning parties with largest balances

Names	Amount	Age	Percentage %
Chongqing Banan District Land Acquisition Affairs Center	1,227,827,280.83	Within 1 year	83.31
Chongqing Yuanbang Real Estate Development Co., Ltd.	115,335,405.85	Within 1 year	7.83
Chongqing Banan District Medium-sized Reservoir Construction Headquarters Office	43,863,500.00	Within 1 year	2.96
Construction Headquarters of Banan Section of East Ring Line of Banan District Railway Hub, Chongqing	33,236,518.15	Within 1 year	2.26
Construction Headquarters of Banan Section of Expressway from Nanxun to Liangjiang New District, Banan District, Chongqing	29,296,380.00	Within 1 year	1.99
Total	1,449,359,184.84	—	98.35

## 21. Employee benefits payables

## (1) Categories of Staff Remuneration Payable

Items	Opening balance	Increase in the year	Decrease in the year	Closing balance
Short-term Remuneration	14,689,668.24	183,649,607.90	179,243,751.97	19,089,524.17
Post-employment benefit established-withdrawal and deposit scheme	19,943.26	2,417,603.55	2,437,548.81	

Termination benefits	10,037,179.80	2,770,068.00	163,598.34	12,643,651.45
Total	24,745,781.30	188,837,279.45	161,649,885.12	31,733,175.63

## (2) Short-term Remuneration

Items	Opening balance	Increase in the year	Decrease in the year	Closing balance
1. Salary, inducement, allowance and subsidies	14,683,881.19	158,696,085.08	154,297,011.16	19,082,955.12
2. Employee benefits fee		7,893,580.84	7,893,580.84	
3. Social insurance fee		8,965,488.55	8,965,488.55	
Including: Health insurance		8,845,359.71	8,845,359.71	
Work-related injury insurance		97,181.12	97,181.12	
Birth insurance		22,947.72	22,947.72	
4. Housing provident fund		3,655,576.00	3,653,794.00	1,782.00
5. Staff Union fee and Staff training cost	4,787.06	4,438,877.42	4,438,877.42	4,787.06
6. Short-term paid leave				
7. Short-term profit sharing scheme				
8. Others				
Total	14,688,668.24	183,649,807.90	179,248,751.97	19,089,524.17

## (3) Separation benefits - defined contribution plan

Items	Opening balance	Increase in the year	Decrease in the year	Closing balance
Basic endowment insurance premium	19,943.26	2,220,906.26	2,240,809.52	
Unemployment insurance premium		97,332.29	97,332.29	
Enterprise annuity		99,275.00	99,275.00	
Total	19,943.26	2,417,603.56	2,437,546.81	

## 22. Tax payable

Items	Closing balance	Opening balance
Value-added tax	253,200,317.62	166,806,574.87
Enterprise income tax	207,853,064.24	190,711,700.28
Urban maintenance and construction tax	18,820,106.36	10,773,988.01
Educational Surtax	13,413,688.75	7,591,648.88
Property tax	679,611.22	1,304,483.32
Individual income tax	233,322.04	294,593.89
Stamp tax	15,420.10	81,709.80
Land use tax	67,027.50	25,635.16
Total	494,382,587.83	376,890,284.21

## 23. Other payable

Items	Closing balance	Opening balance
Interest payable	83,575,941.70	63,879,095.76
Dividend payables		



Items	Closing balance	Opening balance
Other Payables	3,503,407,770.55	4,794,585,055.18
Total	3,596,993,712.25	4,858,464,090.94

## (1) Interest payable

Items	Closing balance	Opening balance
Corporate bond interest	3,067,500.00	42,933,774.35
Interest on other non-current liabilities	90,488,441.70	21,345,261.41
Total	93,555,941.70	63,879,035.76

## (2) Other payable

## ① Other payables by aging

Aging	Closing balance		Opening balance	
	Amount	Percentage %	Amount	Percentage %
Within 1 year	1,070,397,542.19	30.57	1,990,794,310.10	41.52
1-2 years	1,493,122,769.65	42.62	2,012,980,612.14	41.98
2-3 years	649,509,517.35	18.54	255,527,509.70	5.16
Above 3 years	289,777,941.36	8.27	455,307,623.24	10.33
Total	3,503,407,770.55	100.00	4,794,585,055.18	100.00

## ② Details of the top 5 owning parties with largest balances

Names	Amount	Age	Percentage %
Land Acquisition Office of the People's Government of Baidi District, Chongqing	1,201,315,898.45	1-3 years	34.29
Chongqing Vocational and Technical Education City Construction Co., Ltd.	454,155,555.55	1-3 years	13.82
Baidi District Finance Bureau	848,967,479.65	2-3 years	24.23
Chongqing Southern New Town Industrial Investment Group Co., Ltd.	167,922,300.00	Within 1 year	4.79
Chongqing Baidi Economic Park Construction Industry Co., Ltd.	16,095,043.72	3-4 years	0.46
Total	2,716,456,277.37		77.59

## 24. Non-current liabilities repayable within one year

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year (Notes VI.25)	822,892,568.45	805,386,000.00
Long-term bond due within 1 year (Notes VI.26)	650,000,000.00	150,890,000.00
Non-current liabilities due within 1 year (Notes VI.29)	303,000,000.00	147,090,000.00
Long-term payables due within 1 year (Notes VI.27)	1,282,607,984.53	
Total	3,058,500,552.98	1,102,366,000.00

## 25. Long-term borrowings

## (1) Classification of long-term borrowings

Items	Closing balance	Opening balance
Pledge borrowings	1,110,000,000.00	1,434,542,000.00
Secured borrowings	406,828,048.75	276,790,000.00

Guarantee borrowings	2,228,785,619.71	1,536,300,000.00
Credit borrowings		739,900,000.00
Total	3,745,613,668.47	3,287,482,000.00

## (2) Details of long-term borrowings as of December 31, 2020

Names	Loan start date	Loan termination date	Annual interest rate of loan %	Closing balance	Borrowing Category
Chongqing Rural Commercial Bank	2016-6-22	2031-6-21	5.98%	1,110,000,000.00	Pledge borrowings
Xiamen International Bank long-term loan	2020-4-20	2022-4-20	7.5% in the first 4 months, 8% after 4 months	60,800,000.00	Guarantee borrowings
Hua Xia Bank Working Capital Loan	2020-5-28	2023-5-27	5.50%	38,800,000.00	Guarantee borrowings
Hua Xia Bank Working Capital Loan	2020-6-24	2023-6-23	5.50%	24,250,000.00	Guarantee borrowings
AVIC International Leasing Co., Ltd.	2020-6-24	2022-6-24	5.75%	78,286,341.71	Guarantee borrowings
CCB Trust Co., Ltd.	2020-11-10	2022-11-10	7.00%	340,000,000.00	Guarantee borrowings
Agricultural Development Bank of China Chongqing Banan District Sub-branch	2017-2-28	2032-2-27	4.50%	241,850,000.00	Secured borrowings
Xingye Financial Leasing Co., Ltd.	2020-12-29	2023-12-29	6.2%	150,000,000.00	Guarantee borrowings
Agricultural Development Bank of China Chongqing Banan Sub-branch	2019-12-13	2034-12-12	5.39%	195,750,000.00	Guarantee borrowings
Agricultural Development Bank of China Chongqing Banan Sub-branch	2020-12-25	2034-12-12	5.39%	140,000,000.00	Guarantee borrowings
China CITIC Bank Corporation Limited Chongqing Branch	2020-7-24	2023-7-23	4.7	12,378,048.76	Secured borrowings
China CITIC Bank Corporation Limited Chongqing Branch	2020-9-4	2023-9-3	4.05	2,500,000.00	Secured borrowings
Agricultural Development Bank Banan Sub-branch	2019-11-20	2034-11-17	5.34%	497,800,000.00	Guarantee borrowings
Agricultural Development Bank Banan Sub-branch	2020-3-24	2034-11-17	4.79%	312,490,000.00	Guarantee borrowings
CCB Financial Leasing Co., Ltd.	2015-11-11	2020-11-11	4.7500%		Guarantee borrowings
Jiangsu Financial Leasing Co., Ltd.	2020-11-25	2022-11-25	5.4399%	51,609,278.00	Guarantee borrowings
Everbright Bank	2017-03-22	2027-3-22	4.9916%	182,000,000.00	Credit borrowings
Banan Sub-branch of Agricultural Development Bank of China	2020-7-31	2037-6-26	Floating rate (3.85% for the first year)	307,000,000.00	Guarantee borrowings
Total	—	—	—	3,745,613,668.47	—

## 26. Bonds payable

Items	Closing balance	Opening balance
Project income bond	300,000,000.00	450,000,000.00
19 Banan Highway PPNDK01	298,248,347.96	298,516,913.60
19 Banan Highway PPNDK02	698,814,928.39	696,620,138.52
19 Banan Highway PPNDK03	564,870,000.00	564,870,000.00

Total	1,800,933,275.35	2,009,009,052.12
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## 27. Long-term payables

Items	Closing balance	Opening balance
Long-term payables	1,801,456,321.90	633,496,681.99
Special payables	1,134,531,335.19	1,078,293,405.84
Total	2,935,987,657.09	1,712,792,287.83

## (1) Long-term payables

Items	Closing balance	Opening balance
Financial lease costs	1,933,448,771.67	729,248,144.75
Less: Unrecognized financing costs	131,992,449.77	95,749,262.76
Total	1,801,456,321.90	633,496,681.99

## (2) Special payables

Names	Opening balance	Increase in the year	Decrease in the year	Closing balance
Chongqing Banan District Yipao Sewage Treatment Plant Project	9,602,640.00			9,602,640.00
East Hot Spring Sewage Treatment Plant	29,180,000.00			29,180,000.00
Haitang Sewage Treatment Plant Supervisor Network Construction Project	52,000,000.00		3,385,829.66	48,614,179.35
Lujiao Sewage Plant Technical Transformation Project	1,446,838.00			1,446,838.00
Hongxing Village, Hongqi Village, Baihe Village and Huxiao Village Level 2 and 3 Rural Sewage Pipe Network Construction Project	2,961,500.00	17,030,000.00		19,991,500.00
Reconstruction Project of Primary Main Pipe of Jiashu Sewage Treatment Plant in Shengdengshan Town	682,050.00		682,050.00	
Xiashan Road, Yunzhuang Mountain Scenic Area	7,702,000.00			7,702,000.00
Reconstruction Project of Dongguan Ring Road Extension (Dongguan Freight Channel)	17,640,000.00			17,640,000.00
Renliu - Yongshou	18,900,000.00			18,900,000.00
The second phase of the upgrading and reconstruction project of Xiashan Road (Special Parts Factory - Gaowan Road) in Yunzhuang Mountain Scenic Spot	16,490,000.00			16,490,000.00
Mudong traditional style area cultural relics protection and repair project and Mudong auxiliary project	17,082,000.00			17,082,000.00
S106 Upgrading and Reconstruction Project	25,000,000.00			25,000,000.00
School Construction Funds (District Education Committee)	34,520,377.84			34,520,377.84
Xiexin Flyover	1,760,000.00			1,760,000.00
Funds for Baoguiyuan and Qingping Chunxiao projects	804,000,000.00			804,000,000.00
Nanpeng Public Rental Housing Project Special Subsidy Fund	40,316,000.00			40,316,000.00
Reservoir bank at the entrance of the Yellow River in the Yangtze River		34,275,800.00		34,275,800.00
Hejie Sewage Pipe Network Upgrade and Reconstruction Project		8,000,000.00		8,000,000.00
Total	1,079,293,405.84	59,306,800.00	4,067,879.66	1,134,531,335.19

## 28. Deferred income

Item	Opening balance	Increase in the year	Decrease in the year	Closing balance
Government subsidies		4,297,600.00	1,796,928.81	2,500,671.19
Total		4,297,600.00	1,796,928.81	2,500,671.19

Including, projects involving government subsidies:

Item	Opening balance	Increase in the year	Decrease to non-operating income	Decrease to other income	Decrease to others	Closing balance	Related asset/revenue
Anlan Water Supply Station Expansion Project		1,800,000.00	877,600.00			922,500.00	Related asset
Shengdengshan Waterworks Reconstruction Project		2,497,600.00	919,428.81			1,578,171.19	Related asset
Total		4,297,600.00	1,796,928.81			2,500,671.19	—

## 29. Other non-current liabilities

Items	Closing balance	Opening balance
Xingye International Trust Co., Ltd.		150,000,000.00
CFTIC Trust Co., Ltd.		153,000,000.00
Total		303,000,000.00

## 30. Paid-in Capital

Names	Opening balance		Increase in the year	Decrease in the year	Closing balance	
	Amount	Percentage %			Amount	Percentage %
Chongqing Banan District State-owned Assets Management Center	10,000,000.00	100.00	90,000,000.00		100,000,000.00	100.00
Total	10,000,000.00	100.00	90,000,000.00		100,000,000.00	100.00

## 31. Capital reserve

Items	Opening balance	Increase in the year	Decrease in the year	Closing balance
Other capital Reserve	9,795,235,142.35	10,000,000.00		9,805,235,142.35
Total	9,795,235,142.35	10,000,000.00		9,805,235,142.35

## 32. Other comprehensive income

Items	Opening balance	Increase in the year	Decrease in the year	Closing balance
Changes in fair value of investment properties	463,230,988.61			463,230,988.61
Total	463,230,988.61			463,230,988.61

## 33. Undistributed profits

Items	2020	2019
Adjusted before balance at the end of last year	1,241,051,507.65	1,036,104,872.96
Adjusted total balance at the beginning of year (Increase +, decrease -)		
Adjusted after balance at the beginning of the year	1,241,051,507.65	1,036,104,872.96
Add: net profit attributable to shareholders of the parent company during the year	291,204,908.38	206,819,334.89
Less: Appropriation of statutory surplus reserve		

Items	2020	2019
Appropriation of voluntary surplus reserve		
Withdrawal from Reserve Fund		
Appropriation of Enterprise Development Fund		
Withdrawal from employee bonus fund		
Appropriation of general risk reserve		
Common Stock dividends payable	22,024,100.00	1,872,500.00
Common stock dividends converted to share capital		
Preferred stock dividend		
Other distributions to shareholders		
Profit return for investment		
Others	-60,000.00	
Add: Surplus reserve to make up for losses		
Changes arising from carryover and remeasurement of net liabilities or net assets of defined benefit plans		
Other internal carry-over of owner's equity		
Closing balance	1,500,292,316.03	1,241,051,507.65

## 34. Operating revenue and operating cost

## (1) Operating revenue and operating cost

Items	2020		2019	
	Revenue	Cost	Revenue	Cost
Main operation revenue	3,046,614,368.84	2,876,103,895.84	1,993,158,468.88	1,783,002,345.32
Other operation revenue	72,190,138.32	25,561,136.07	57,416,096.56	33,683,871.50
Total	3,118,804,508.16	2,901,665,031.71	2,040,574,565.44	1,816,686,216.82

## (2) Revenue from principal activities (by type)

Types	2020		2019	
	Revenue	Cost	Revenue	Cost
Engineering business	39,174,200.96	34,079,339.68	867,247,966.99	754,456,682.03
Water supply business	84,806,163.36	55,495,280.07	62,799,384.83	53,425,818.97
Security service	154,270,444.10	123,008,513.70	199,851,262.54	130,273,766.54
Commodity sales	37,382,353.86	29,030,881.37	48,497,937.33	38,788,322.83
Land consolidation	1,388,663,464.21	1,319,230,291.00	820,244,705.27	801,774,070.70
Others	19,536,604.40	2,240,250.80	24,617,222.92	4,282,684.25
Resettlement housing sales	1,342,982,158.86	1,313,021,338.02		
Total	3,046,614,368.84	2,876,103,895.84	1,983,158,468.88	1,783,002,345.32

## 35. Taxes and surcharges

Items	2020	2019
Urban maintenance and construction tax	4,833,852.24	3,712,233.46

Items	2020	2019
Education surcharge tax	3,452,751.56	2,651,595.34
Property tax	2,615,769.37	1,294,987.06
Land use tax	226,827.96	779,006.84
Vehicle and vessel usage tax	7,619.90	10,041.86
Stamp duty	58,479.90	147,623.30
Tax on the occupancy of cultivated land	942,073.87	
Deed tax	1,119,067.57	
Environmental tax	206,166.84	349,622.30
Total	13,462,629.20	8,944,109.95

## 36. Selling expenses

Items	2020	2019
Office expenses	264,328.66	157,034.01
Business promotion fee	310.00	2,008,547.01
Transport fees	177,341.72	300,706.81
Travel expenses	312,208.90	303,640.00
Employee salary	2,124,030.50	2,035,522.60
Training fee	100,000.00	62,206.00
Welfare fee	427,020.28	86,891.00
Travel and transportation expenses	365,804.00	321,765.00
Rental fees	235,456.68	43,906.68
Depreciation	175,351.82	131,062.80
Amortization of low consumables	26,200.00	53,053.00
Business Hospitality	20,045.00	37,383.00
Repair fee	143,320.60	131,040.60
Tolls	19,017.64	22,316.80
Vehicle insurance	70,477.40	75,636.62
Others	12,872.66	31,086.00
Red circle DingTalk software service fee	10,010.00	21,800.00
Water, electricity and gas bills	603,287.22	292,940.66
Total	5,877,080.08	6,096,716.39

## 37. Administrative expenses

Item	2020	2019
Business Hospitality	52,843.70	310,237.06
Employee's salary	40,758,984.53	51,451,203.93
Office expenses	2,080,741.62	1,952,568.27
Depreciation and amortization	2,223,437.19	3,028,934.43
Travel expenses	3,110,168.71	4,367,804.25
Vehicle use and maintenance costs	1,047,506.41	1,822,343.69
publicity fee	1,657,856.58	301,160.20



Items	2020	2019
Water/electricity bill	884,162.18	880,720.78
Party building work expenses	184,968.94	113,171.25
Lawyer service fee	85,000.00	35,000.00
Property management fees	740,281.89	1,319,003.68
Intermediary service fee	6,223,059.58	4,733,894.97
Labor fee	894,529.42	519,285.11
Others	4,911,880.46	343,487.19
Rental fees	887,631.11	954,207.03
Consulting fee	154,500.00	168,900.00
Garbage cleaning fee	57,200.00	10,400.00
Litigation costs		112,208.00
Postage and communication charges	315,857.77	422,634.29
Environmental Pollution Liability Insurance	180,000.00	150,000.00
Labor insurance premium	40,290.40	170,141.30
Security for the disabled	60,151.40	16,444.00
System certification and annual audit fee	37,415.52	17,719.58
Security Association Dues	103,524.40	70,940.00
Caravan fee	1,389,375.90	1,217,832.48
Total	67,871,148.81	74,329,031.68

## 38. Financial expenses

Items	2020	2019
Interest expenses	7,086,322.15	5,893,759.97
Less: Interest income	5,491,865.84	2,264,281.57
Bank charges		
Others	2,090,604.44	2,347,808.79
Total	3,685,060.75	6,057,387.19

## 39. Other income

Items	2020	2019
Government grants	83,104,622.65	106,867,925.92
Veterans tax benefits	1,821,669.69	1,755,496.00
Total	85,026,292.34	108,624,421.92

## 40. Investment income

Items	2020	2019
Investment income obtained during the holding period of available-for-sale financial assets	2,443,330.08	1,489,413.93
Investment income at maturity of wealth management products	2,832,715.79	1,632,252.94
Gains on disposal of other investments		
Total	5,376,045.87	3,121,666.87

## 41. Gain on fair value changes

Items	2020	2019
Investment properties at fair value measurement	163,767,255.91	1,611,836.21
Total	163,767,255.91	1,611,836.21

## 42. Impairment loss for assets

Items	2020	2019
Impairment losses of bad debt	-6,593,043.26	-11,824,102.37
Total	-6,593,043.26	-11,824,102.37

## 43. Assets disposal income

Items	2020	2019
Gains from Disposal of Assets	303,131.14	64,463.87
Total	303,131.14	64,463.87

## 44. Non-operating income

Items	2020	2019
Government subsidy	1,461,852.70	2,382,237.70
Liquidated damages income	492,798.03	270,385.72
Income from business combination not under common control		16,617,068.67
Tax return	638,063.56	
Reduction and exemption of environmental tax subsidy income	144,983.67	
Others	5,836,687.78	145,196.62
Total	8,597,385.72	20,014,850.71

## 45. Non-operating expenses

Items	2020	2019
Donation expenditure	4,182,890.65	3,014,359.69
Sponsorship expenditure		1,000,000.00
Default compensation		1,804,418.12
Penalties and overdue fines	11,099,194.96	6,644,620.33
Others	5,504,402.18	403,160.66
Total	20,786,287.79	13,083,759.20

## 46. Income tax expenses

Items	2020	2019
Current income tax	41,349,100.58	32,258,062.99
Deferred income tax expenses	39,918,720.96	-3,356,904.65
Total	81,267,821.54	28,899,068.34

## 47. Ownership restricted assets

Items	2020	2019
Current income tax	483,850,000.00	66,000,000.00

Total	483,850,000.00	66,000,000.00
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## 48. Supplementary information of cash flow statements

## (1)Supplementary information of cash flow statements

Items	2020	2019
1. Reconciliation of net profit to cash flow of operating activities:		
Net profit	281,484,297.80	208,141,512.18
Add: Provision for assets impairment	6,593,043.26	11,824,102.37
Depreciation of fixed assets, Oil assets, Productive biological asset	10,492,852.66	5,079,098.94
Amortization of intangible assets	10,451.96	53,223.11
Depreciation and amortization of investment properties		
Amortization of long-term deferred expenses	2,232,876.72	1,161,210.61
Loss on disposal of fixed assets, intangible assets and other long-term assets (or less: decrease)	-303,131.14	-64,463.87
Loss from disposal of fixed assets (gain represented in "-" sign)		75,056.05
Gains/loss of changes in fair value (gain represented in "-" sign)	-163,767,255.91	-1,611,836.21
Finance costs (gain represented in "-" sign)	7,088,322.15	5,893,759.97
Investment lost (gain represented in "-" sign)	-5,376,045.87	-3,121,666.67
Decrease in deferred income tax assets (increase represented in "-" sign)	-1,648,280.81	-3,064,490.42
Increase in deferred income tax liabilities (decrease represented in "-" sign)	41,566,981.77	74,777,112.99
Decrease in inventories (increase represented in "-" sign)	-524,288,738.44	-452,917,901.18
Decrease in operating receivables (increase represented in "-" sign)	-1,564,752,603.24	-3,065,602,001.60
Increase in operating payables (decrease represented in "-" sign)	407,713,310.27	4,329,681,027.03
Others		
Net cash flow generated from operating activities	-1,602,974,058.82	1,110,403,712.10
2. Significant non-cash investing and financing transactions:		
Debt transferred to capital		
Convertible corporate bonds due within 1 year		
Fixed assets under finance lease		
3. Net changes in cash and cash equivalents:		
Cash balance at the end of the period	1,869,876,008.69	1,770,074,829.42
Less: cash balance at the beginning of the year	1,770,074,829.42	301,526,701.28
Add: balance of cash equivalents at the end of the year		
Less: balance of cash equivalents at the beginning of the year		
Net increase in cash and cash equivalents	99,801,179.17	1,468,548,128.14

## (2)Cash and cash equivalents

Items	2020	2019
I. Cash	1,869,876,008.69	1,770,074,829.42
Including: Cash on hand	185,790.86	168,890.35
Bank deposits readily available for payments	1,869,690,217.73	1,769,905,939.07

Items	2020	2019
Other monetary funds available for immediate use		
Deposit in the central banks available for immediate use		
Deposit to peer firms		
Loan to peer firms		
II. Cash equivalents		
Including: bond investments due within 2 months		
III. Balance of cash and cash equivalents at the end of the year	1,889,379,008.65	1,770,074,829.42
Including: Restricted cash and cash equivalents of the parent company and the subsidiaries of the group		

## VII. CHANGES IN THE SCOPE OF CONSOLIDATION

### 1. Business Combinations Involving Entities Not under Common Control Incurred in the current period

No business combinations involving entities not under common control occurred in current year.

### 2. Business Combinations Involving Entities under Common Control

According to the document of the People's Government of Banan District, Chongqing, Banan Prefecture issued the document [2020] No. 15, on the notice on the establishment of Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd., to transfer 100.00% equity of Chongqing Banan Highway Co., Ltd. to the company for free. At the same time, Chongqing Fengsheng Tourism Development Co., Ltd., Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd., and Chongqing Baxin Construction Co., Ltd. were upgraded from the original wholly-owned subsidiaries of Chongqing Banan Highway Co., Ltd. to the wholly-owned subsidiaries of the company. , to transfer Chongqing Changyida Construction Co., Ltd. from a wholly-owned subsidiary of Chongqing Banan Highway Co., Ltd. to a wholly-owned subsidiary of Chongqing Baxin Construction Co., Ltd.; to transfer 100.00% equity of Chongqing Bayuan Construction Investment Co., Ltd. to the company for free; 100.00% equity of Chongqing Banan Security Service Co., Ltd., 100.00% equity of Chongqing Best Human Resource Development Co., Ltd. and 34.29% of state-owned equity of Chongqing Banan Education Development Co., Ltd. were transferred to Chongqing Baxin Construction Co., Ltd.

### 3 Counter purchase

There was no reverse purchase event during the reporting period.

### 4. Disposal of Subsidiaries

There was no disposal of subsidiaries during the reporting period.

### 5 Changes in the Scope of Consolidation Due to Other Reasons

No change

## VIII RIGHTS AND INTERESTS IN OTHER SUBJECTS

## Interests in Subsidiaries

## Composition of second-level subsidiaries of the groups

Name of Subsidiary	Principal operation place	Registration place	Business nature	Percentage %		Acquisition method
				Direct	Indirect	
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Banan	Chongqing Banan	Land consolidation and development; urban development and construction projects	100		Transfer
Chongqing Ruizhou Construction Investment Co., Ltd.	Chongqing Banan	Chongqing Banan	Highway engineering, earthwork engineering		100	Transfer
Chongqing Yajiang Water Company	Chongqing Banan	Chongqing Banan	Comprehensive development of water conservancy, electrical equipment, instrumentation, building materials		100	Transfer
Chongqing Yunan Drainage Co., Ltd.	Chongqing Banan	Chongqing Banan	Engaged in the construction, operation management and daily maintenance of sewage treatment plant projects		100	Transfer
Chongqing Xianmuyuan Hot Spring Resort Hotel Co., Ltd.	Chongqing Banan	Chongqing Banan	Catering service; Chinese food production and sales		100	Transfer
Chongqing East Hot Spring Tourism Development and Construction Co., Ltd.	Chongqing Banan	Chongqing Banan	Investment and management of scenic spot development and construction projects with self-owned funds		100	Transfer
Chongqing Baoyuan Construction Investment Co., Ltd.	Chongqing Banan	Chongqing Banan	Urban construction investment; urban infrastructure investment	100		Transfer
Chongqing Chuangshu Real Estate Co., Ltd.	Chongqing Banan	Chongqing Banan	Real estate development (practice with qualification certificate); landscaping engineering		100	Transfer
Chongqing Yuanwen Construction Co., Ltd.	Chongqing Banan	Chongqing Banan	Real estate development and management		100	Transfer
Chongqing Basin Construction Co., Ltd.	Chongqing Banan	Chongqing Banan	Use own funds to engage in investment-related businesses and related construction projects	100		Transfer
Chongqing Best Human Resource Development Co., Ltd.	Chongqing Banan	Chongqing Banan	Human resource services, employment agency activities, labor dispatch services		100	Transfer
Chongqing Shilong Technical Labor Service (Group) Co., Ltd.	Chongqing Banan	Chongqing Banan	Collection, arrangement, storage, publication and consultation of human resources supply and demand information		100	Transfer
Chongqing Banan Education Development Co., Ltd.	Chongqing Banan	Chongqing Banan	Operating labor dispatch, retail		100	Transfer
Chongqing Banan Security Service Co., Ltd.	Chongqing Banan	Chongqing Banan	Doorman, patrol, guard, bodyguard, security inspection, security technology prevention, security risk assessment, order maintenance		100	Transfer
Chongqing Changyida Construction Co., Ltd.	Chongqing Banan	Chongqing Banan	Housing construction engineering, municipal engineering, landscaping engineering, road lighting engineering design and construction		100	Transfer
Chongqing Fengsheng Tourism Development Co., Ltd.	Chongqing Banan	Chongqing Banan	Tourism project development, eco-agricultural tourism development and sightseeing	100		Transfer
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.	Chongqing Banan	Chongqing Banan	Construction and operation management of municipal engineering and municipal	100		Transfer

Name of Subsidiary	Principal operation place	Registration place	Business nature	Percentage %		Acquisition method
				Direct	Indirect	
Chongqing Zantong Highway Engineering Quality Inspection Co., Ltd.	Chongqing Banan	Chongqing Banan	Infrastructure Highway engineering and municipal engineering test detection	100		Establishment

## IX. RELATED PARTY AND RELATED PARTY TRANSACTIONS

### 1. Parent company

Name	Registered Place	Business nature	Proportion of the Company's shares held by the parent company (%)	Proportion of the Company's voting right held by the parent company (%)
Chongqing Banan District State-owned Assets Management Center	Banan District, Chongqing	Government offices	100.00	100.00

### 2. Subsidiaries

For information on the subsidiaries of the Company, refer to Note VI(1). Interests in Subsidiaries.

### 3. Other related parties of the company

No

### 4. Transactions with related parties

#### (1) Purchase of goods/receiving of services

No such transaction during the reporting period.

#### (2) Guarantee with related parties

Guarantor	Guaranteed	Type	Guarantee Amount (000000)	Starting day	Expiry day
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Baiyuan Construction Investment Co., Ltd.	Guarantee	17,630.00	2015-4-27	2025-4-27
Chongqing Baiyuan Construction Investment Co., Ltd.	Chongqing Chuangtu Real Estate Co., Ltd.	Guarantee	25,800.00	2017-3-22	2027-3-21
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	35,000.00	2020-11-10	2022-11-10
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	22,022.36	2020-6-24	2022-6-24
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	21,186.23	2020-6-28	2022-6-15
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	20,000.00	2020-10-30	2022-10-30
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	20,000.00	2020-9-15	2022-9-15
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	19,500.00	2020-6-28	2022-6-28
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	13,325.35	2020-4-15	2024-4-14
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	11,050.00	2019-3-28	2021-3-27



Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	10,000.00	2020-11-25	2022-11-25
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	9,565.00	2020-12-30	2021-12-30
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	7,628.00	2020-6-23	2022-6-23
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	3,960.00	2020-5-28	2023-5-27
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	3,698.00	2020-5-7	2022-4-20
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	3,116.00	2020-4-20	2022-4-20
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	2,475.00	2020-6-24	2023-6-23
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Ruizhou Construction Investment Co., Ltd.	Guarantee	114,000.00	2016-8-22	2031-8-21
Chongqing Ruizhou Construction Investment Co., Ltd.	Chongqing Banan Highway Construction Co., Ltd.	Guarantee	1,506.70	2016-3-10	2021-3-11
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Yujiang Water Company	Guarantee	1,820.00	2017-2-28	2031-9-22
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Yujiang Water Company	Guarantee	7,200.00	2016-12-16	2031-9-22
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Yujiang Water Company	Guarantee	5,000.00	2020-4-14	2021-4-13
Chongqing Ruizhou Construction Investment Co., Ltd.	Chongqing Yujiang Water Company	Guarantee	2,900.00	2020-4-13	2021-4-8
<b>Total</b>			<b>369,150.68</b>		

## X. COMMITMENTS AND CONTINGENT EVENTS

### 1. Significant commitments

As at April 20, 2021, the Company had no significant commitments events to be disclosed.

### 2. Contingencies

#### (1) Contingent liabilities arising from guarantee matters

For details of providing guarantees for related parties, please refer to "Note IX. 4. (2) Guarantee with related parties"

As of December 31, 2020, the guarantees provided by the Company for the loans of non-related parties are as follows:

Guarantor	Guaranteed	Type	Guaranteed Amount (10000)	Starting day	Expiry day
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guaranteed	100,000.00	2016-4-21	2036-1-4
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	30,000.00	2016-5-26	2038-1-4
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	28000	2016-5-30	2036-1-4
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	22,000.00	2018-9-23	2036-1-4

Chongqing Banan Highway Construction Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	20,000.00	2016-12-20	2036-1-4
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	46,120.00	2016-6-29	2036-1-4
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Banan Xintu Land Consolidation Co., Ltd.	Guarantee	27,816.00	2016-6-22	2026-6-16
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Banan Xintu Land Consolidation Co., Ltd.	Guarantee	24,029.00	2017-1-3	2026-6-16
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Nanchang Water Co., Ltd.	Guarantee	13,200.00	2019-4-1	2022-3-31
Chongqing Banan Highway Construction Co., Ltd.	Chongqing International Bio City Development Investment Co., Ltd.	Guarantee	8,500.00	2019-4-1	2021-3-28
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Chengyi Water Resources Development Co., Ltd.	Guarantee	8,100.00	2016-4-27	2028-4-20
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Chengyi Water Resources Development Co., Ltd.	Guarantee	5,600.00	2016-5-30	2028-4-20
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Chengyi Water Resources Development Co., Ltd.	Guarantee	3,300.00	2017-12-22	2028-4-20
Chongqing Banan Highway Construction Co., Ltd.	Chongqing Banan Xintu Land Consolidation Co., Ltd.	Guarantee	55.00	2016-6-17	2026-6-16
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Banan Economic Park Investment Industrial Co., Ltd.	Guarantee	37,583.00	2016-8-31	2031-8-30
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Banan Economic Park Investment Industrial Co., Ltd.	Guarantee	30,600.00	2016-12-19	2031-8-30
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Banan Economic Park Investment Industrial Co., Ltd.	Guarantee	14,000.00	2017-3-17	2027-3-14
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Banan Economic Park Investment Industrial Co., Ltd.	Guarantee	130.00	2016-9-20	2031-9-30
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	20,000.00	2017-3-17	2027-3-14
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	20,000.00	2017-4-6	2027-3-14
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	11,800.00	2017-4-7	2027-3-14
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	6,100.00	2017-5-27	2027-3-14
Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.	Chongqing Highway Logistics BASE Co., Ltd.	Guarantee	3,456.00	2017-3-16	2027-3-14
Total	—	—	480,389.00	—	—

(2) As of December 31, 2020, the mortgage and pledge of the company's assets are as follows:

As of December 31, 2020, Chongqing Ruizhou Construction Investment Co., Ltd. used RMB 388,000,000 in monetary funds as a deposit to obtain a balance of RMB 388,000,000 of bank acceptance bills from Hua Xia Bank Co., Ltd. Chongqing Branch.

As of December 31, 2020, Chongqing Ruizhou Construction Investment Co., Ltd. obtained a short-term loan of RMB 95.650 million from Banan Sub-branch of China Everbright Bank with RMB 95.65 million in cash and cash as a deposit.

Except for the above matters, as of December 31, 2020, the Company had no other contingent matters that should be disclosed.

**XI. POST-BALANCE DATE EVENTS**

As at April 20, 2021, the Company had no material post-balance date events to be disclosed.

**XII. OTHER SIGNIFICANT EVENTS**

No

**XIII. NOTES TO ITEMS OF PARANT COMPANY FINANCIAL STATEMENTS****1. Disclosure of long-term equity investment classified by type:**

Items	Closing balance			Opening balance		
	Carrying Amount	Bad debt Provis ion	Book Value	Carrying Amount	Bad debt Provis ion	Book Value
Invest in subsidiaries	10,511,788,145.14		10,511,788,145.14			
Total	10,511,788,145.14		10,511,788,145.14			

**Invest in subsidiaries**

Investor	Opening balance	Increase in the year	Decrease in the year	Closing balance	Provision	Shareholding proportion (%)	Voting power
Chongqing Baonan Highway Construction Co., Ltd.		8,480,683,402.38		8,480,683,402.38		100%	100%
Chongqing Baiyuan Construction Investment Co., Ltd.		1,479,732,189.97		1,479,732,189.97		100%	100%
Chongqing Baxia Construction Co., Ltd.		305,899,285.37		305,899,285.37		100%	100%
Chongqing Pengsheng Tourism Development Co., Ltd.		136,018,151.73		136,018,151.73		100%	100%
Chongqing Mudong Cultural Tourism Industrial Development Co., Ltd.		109,455,115.69		109,455,115.69		100%	100%
Chongqing Lutong Highway Engineering Quality Inspection Co., Ltd.						100%	100%
Total		10,511,788,145.14		10,511,788,145.14		—	—

CEO Signature:

CFO Signature:

Financial manager Signature:

Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.

April 20, 2021



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(副本) (4-2)

[illegible]

图 3 杨浦区适合快餐业

执行事务合伙人 赵庆军

經營範圍

[illegible]

竣工日期 2013年09月02日

合 伙 期 限 2013年09月02日至长期

主要经营场所 北京市朝阳区望京路16号院3号楼20层2001



机关记录



2020年12月18日

10.1111/j.1365-3113.2011.04641.x

當地主休認為，該地自1991年6月封山後，通過國家和信州森警處保護，森林年度報告。

[illegible]



## 会计师事务所 执业证书

名称：亚太（集团）会计师事务所（特殊普通合伙）

首席合伙人：赵庆军

主任会计师：

经营场所：北京市丰台区金泽路16号院3号楼2001



组织形式：特殊普通合伙

执业证书编号：11010075

批准执业文号：京财会许可[2013]0052号

批准执业日期：2013年08月09日

证书序号：0014468

## 说明

1. 《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。
2. 《会计师事务所执业证书》记载事项发生变更的，应当向财政部门申请换发。
3. 《会计师事务所执业证书》不得伪造、篡改、出租、出借、转让。
4. 会计师事务所终止或执业许可证注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：

北京市财政局

二〇一三年十一月十一日

中华人民共和国财政部制



证书序号: 000366

# 会计师事务所 证券、期货相关业务许可证

经财政部、中国证券监督管理委员会审查, 批准  
亚太(集团)会计师事务所(特殊普通合伙)执行证券、期货相关业务。

首席合伙人:



证书号: 51

发证时间: 二〇一三年十二月十日







姓名: 于露

证书编号: 110004360015

性别: 女

出生日期: 1985-12-04

工作单位: 北京国府嘉盛会计师事务所有限公司

身份证号: 130828198512040029

照片: [Portrait photo of the member]

身份证号码: 130828198512040029

Identity card No.



国府嘉盛

2014 10 16

亚太(集团)

2014 10 16

证书编号: 110004360015

发证机构: 北京注册会计师协会

有效期至: 2014 年 07 月 18 日

重庆巴洲文化旅游产业集团有限公司

2020 年度

审计报告

亚会审字（2021）第 01110143 号

委托单位：重庆巴洲文化旅游产业集团有限公司

审计单位：亚太（集团）会计师事务所（特殊普通合伙）

联系电话：（86）010 84715612

传真号码：（86）010 88312388

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## 审计报告使用责任

亚会审字（2021）第 01110143 号审计报告仅供委托人及其提交的第三者按本报告书《业务约定书》中所述之审计目的使用。委托人及第三者的不当使用所造成的后果，与注册会计师及其所在事务所无关。

亚太（集团）会计师事务所（特殊普通合伙）

二〇二一年四月二十日





亚太（集团）会计师事务所（特殊普通合伙）  
中国北京 丰台区丽泽路15号院  
原金台大厦20层 邮编100071  
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## 审计报告

世会审字（2021）第 01110443 号

重庆巴洲文化旅游产业集团有限公司全体股东：

### 一、审计意见

我们审计了重庆巴洲文化旅游产业集团有限公司（以下简称“巴洲文旅集团”）财务报表，包括 2020 年 12 月 31 日的合并及公司资产负债表，2020 年度的合并及公司利润表、合并及公司现金流量表和合并及公司所有者权益变动表以及财务报表附注。

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了巴洲文旅集团 2020 年 12 月 31 日合并及公司的财务状况以及 2020 年度合并及公司的经营成果和现金流量。

### 二、形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作，审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中国注册会计师职业道德守则，我们独立于巴洲文旅集团，并履行了职业道德方面的其他责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

### 三、管理层和治理层对财务报表的责任

巴洲文旅集团管理层（以下简称管理层）负责按照企业会计准则的规定编制财务报表，使其真实公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

在编制财务报表时，管理层负责评估巴洲文旅集团的持续经营能力，披露与持续经营相关的事项，并运用持续经营假设，除非管理层计划清算巴洲文旅集团、停止运营或别无其他现实的选项。

治理层负责监督巴洲文旅集团的财务报告过程。

#### 四、注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告，合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现，错报可能由于舞弊或错误所导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计的过程中，我们运用了职业判断，并保持了职业怀疑。同时，我们也执行以下工作：

（一）识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

（二）了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

（三）评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

（四）对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对巴洲文旅集团持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息，然而，未来的事项或情况可能导致巴洲文旅集团不能持续经营。

（五）评价财务报表的总体列报、结构和内容（包括披露），并评价财务报表是否公允反映相关交易和事项。

（六）就巴洲文旅集团中实体或业务活动的财务信息获取充分、适当的审计证据，以对财务报表发表意见。我们负责指导、监督和执行集团审计。我们对审计意见承担全部责任。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我



们在审计中识别出的值得关注的内部控制缺陷。

亚太（集团）会计师事务所（特殊普通合伙）



中国注册会计师：



中国注册会计师：



2021年4月20日

# 合并资产负债表

2020年12月31日

编制单位：重庆巴南文化旅游产业集团有限公司

金额单位：人民币元

项 目	注 释	期末余额	年初余额
<b>流动资产：</b>			
货币资金	六、1	2,353,526,008.59	1,836,074,829.42
结算备付金			
拆出资金			
以公允价值计量且其变动计入当期损益的金融资产			
衍生金融资产			
应收账款	六、2		1,000,000.00
应收账款	六、3	3,089,027,611.45	730,091,262.29
预付款项	六、4	150,169,205.98	62,928,217.87
应收保费			
应收分保账款			
应收分保合同准备金			
其他应收款	六、5	1,394,335,184.65	2,150,251,394.77
买入返售金融资产			
存货	六、6	12,479,072,233.95	11,994,783,495.51
持有待售资产			
一年内到期的非流动资产			
其他流动资产	六、7	37,388,666.73	81,897,392.64
<b>流动资产合计</b>		<b>19,503,519,113.35</b>	<b>16,797,026,592.50</b>
<b>非流动资产：</b>			
发放委托贷款及垫款			
可供出售金融资产	六、8	38,970,000.00	38,970,000.00
持有至到期投资			
长期应收款	六、9	134,606,697.98	60,544,697.86
长期股权投资			
投资性房地产	六、10	1,882,352,953.84	1,562,317,978.09
固定资产	六、11	97,310,708.75	89,041,277.80
在建工程	六、12	369,768,905.98	317,857,919.89
生产性生物资产			
油气资产			
无形资产	六、13	6,773.30	17,225.26
开发支出			
商誉			
长期待摊费用	六、14	4,503,529.08	6,736,205.80
递延所得税资产	六、15	7,750,829.15	8,102,368.34
其他非流动资产	六、16	9,223,927,322.95	8,078,375,561.83
<b>非流动资产合计</b>		<b>11,759,197,520.82</b>	<b>10,159,963,234.87</b>
<b>资产总计</b>		<b>31,262,716,634.17</b>	<b>26,956,989,827.37</b>

(后附财务报表附注是本财务报表的组成部分)

法定代表人：

蒋文

主管会计工作负责人：

会计机构负责人：

# 合并资产负债表（续）

2020年12月31日

编制单位：重庆巴都文化旅游产业集团有限公司

金额单位：人民币元

项 目	注释	期末余额	年初余额
<b>流动负债：</b>			
短期借款	六、17	465,950,000.00	239,800,000.00
向中央银行借款			
吸收存款及同业存放			
拆入资金			
以公允价值计量且其变动计入当期损益的金融负债			
衍生金融负债			
应付票据	六、18	568,000,000.00	132,000,000.00
应付账款	六、19	936,236,100.83	214,159,220.77
预收款项	六、20	1,473,880,008.21	306,683,716.43
卖出回购金融资产款			
应付手续费及佣金			
应付职工薪酬	六、21	31,733,175.63	24,365,101.30
应交税费	六、22	494,382,567.83	376,690,294.21
其他应付款	六、23	3,596,983,712.25	4,858,464,090.94
应付分保账款			
保险合同准备金			
代理买卖证券款			
代理承销证券款			
持有待售负债			
一年内到期的非流动负债	六、24	3,056,500,552.98	1,102,386,000.00
其他流动负债			
<b>流动负债合计</b>		<b>10,625,666,117.73</b>	<b>7,253,748,423.65</b>
<b>非流动负债：</b>			
长期借款	六、25	3,745,813,808.47	3,987,492,000.00
应付债券	六、26	1,860,933,276.35	2,009,009,052.12
其中：优先股			
永续债			
长期应付款	六、27	2,935,987,657.09	1,712,792,267.83
长期应付职工薪酬			
预计负债			
递延收益	六、28	2,500,671.19	
递延所得税负债	六、15	210,294,241.50	168,727,258.73
其他非流动负债	六、29		303,090,000.00
<b>非流动负债合计</b>		<b>8,755,329,614.60</b>	<b>8,181,020,589.68</b>
<b>负债合计</b>		<b>19,380,995,632.33</b>	<b>15,434,769,013.33</b>
<b>所有者权益：</b>			
实收资本	六、30	100,000,000.00	10,000,000.00
其他权益工具			
其中：优先股			
永续债			
资本公积	六、31	9,805,235,142.35	9,765,235,142.35
减：库存股			
其他综合收益	六、32	463,230,988.61	463,230,988.61
专项储备			
盈余公积			
一般风险准备			
未分配利润	六、33	1,500,292,316.03	1,241,051,507.65
归属于母公司所有者权益合计		11,868,758,448.99	11,509,517,638.61
少数股东权益		12,962,554.85	12,703,165.43
<b>所有者权益合计</b>		<b>11,881,721,003.84</b>	<b>11,522,220,804.04</b>
<b>负债和所有者权益总计</b>		<b>31,262,716,636.17</b>	<b>26,956,989,827.37</b>

（后附财务报表附注是本财务报表的组成部分）

法定代表人：

蒋文

主管会计工作负责人：

会计机构负责人：



# 合并利润表

2020年度

编制单位：重庆巴南文化旅游产业集团有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
一、营业总收入		3,118,804,508.16	2,040,574,565.44
其中：营业收入	六、34	3,118,804,508.16	2,040,574,565.44
二、营业总成本		2,991,763,158.55	1,912,083,461.93
其中：营业成本	六、34	2,901,665,031.71	1,816,666,216.82
税金及附加	六、35	13,482,629.20	8,944,109.95
销售费用	六、36	5,077,080.08	6,086,716.39
管理费用	六、37	67,671,146.81	74,329,031.58
研发费用			
财务费用	六、38	3,687,370.75	6,057,387.19
其中：利息费用		7,068,322.15	5,993,759.97
利息收入		5,491,555.64	2,284,281.57
加：其他收益	六、39	85,026,282.14	108,824,420.92
投资收益（损失以“-”号填列）	六、40	5,376,045.87	3,121,866.87
其中：对联营企业和合营企业的投资收益			
汇兑收益（损失以“-”号填列）			
公允价值变动收益（损失以“-”号填列）	六、41	183,767,255.91	1,811,836.21
资产减值损失（损失以“-”号填列）	六、42	-6,583,043.26	-11,824,102.37
资产处置收益（损失以“-”号填列）	六、43	303,131.14	64,463.07
三、营业利润（亏损以“-”号填列）		374,921,021.41	230,069,389.01
加：营业外收入	六、44	8,597,385.72	20,014,950.71
减：营业外支出	六、45	20,786,287.79	13,063,759.20
四、利润总额（亏损总额以“-”号填列）		362,732,119.34	237,040,580.52
减：所得税费用	六、46	81,267,821.54	28,899,068.34
五、净利润（净亏损以“-”号填列）		281,464,297.80	208,141,512.18
（一）按经营持续性分类：			
1. 持续经营净利润（净亏损以“-”号填列）		281,464,297.80	208,141,512.18
2. 终止经营净利润（净亏损以“-”号填列）			
（二）按所有权归属分类：			
1. 归属于母公司股东的净利润（净亏损以“-”号填列）		281,304,908.38	206,819,334.69
2. 少数股东损益（净亏损以“-”号填列）		259,389.42	1,322,177.49
六、其他综合收益的税后净额			
（一）归属母公司所有者的其他综合收益的税后净额			
1. 不能重分类进损益的其他综合收益			
2. 将重分类进损益的其他综合收益			
（二）归属于少数股东的其他综合收益的税后净额			
七、综合收益总额		281,464,297.80	208,141,512.18
（一）归属于母公司所有者的综合收益总额		281,304,908.38	206,819,334.69
（二）归属于少数股东的综合收益总额		259,389.42	1,322,177.49

（后附财务报表附注是本财务报表的组成部分）

法定代表人：

蒋文

主管会计工作负责人：

会计机构负责人：

# 合并现金流量表

2020年度

编制单位：重庆巴洲文化旅游产业集团有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
<b>一、经营活动产生的现金流量：</b>			
销售商品、提供劳务收到的现金		605,884,407.51	1,699,555,870.12
收到的税费返还		1,650,790.59	
收到其他与经营活动有关的现金		0,746,597,870.95	6,064,283,048.79
<b>经营活动现金流入小计</b>		<b>9,954,133,069.05</b>	<b>7,763,839,718.91</b>
购买商品、接受劳务支付的现金		2,817,311,870.42	1,211,897,808.26
支付给职工以及为职工支付的现金		181,848,895.12	175,941,071.74
支付的各项税费		139,587,054.51	46,036,650.23
支付其他与经营活动有关的现金		8,016,348,337.82	6,219,580,586.58
<b>经营活动现金流出小计</b>		<b>11,157,107,157.87</b>	<b>6,853,436,066.81</b>
<b>经营活动产生的现金流量净额</b>		<b>-1,602,974,088.82</b>	<b>1,110,403,712.10</b>
<b>二、投资活动产生的现金流量：</b>			
收回投资收到的现金			61,000,000.00
取得投资收益收到的现金		4,793,974.85	3,121,665.87
处置固定资产、无形资产和其他长期资产收回的现金净额		384,312.88	64,463.87
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金		106,000,000.00	39,724,800.27
<b>投资活动现金流入小计</b>		<b>111,178,487.83</b>	<b>103,910,931.01</b>
购建固定资产、无形资产和其他长期资产支付的现金		526,100,213.47	59,021,860.37
投资支付的现金			
质押贷款净增加额			465,062,506.00
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金		88,000,000.00	37,500,000.00
<b>投资活动现金流出小计</b>		<b>424,193,213.47</b>	<b>561,584,366.37</b>
<b>投资活动产生的现金流量净额</b>		<b>-313,014,725.64</b>	<b>-457,673,435.36</b>
<b>三、筹资活动产生的现金流量：</b>			
吸收投资收到的现金		100,000,000.00	1,116,800,000.00
其中：子公司吸收少数股东投资收到的现金			
取得借款收到的现金		4,756,916,845.10	1,564,870,000.00
发行债券收到的现金		1,648,700,000.00	487,092,000.00
收到其他与筹资活动有关的现金		25,030,000.00	
<b>筹资活动现金流入小计</b>		<b>6,531,646,845.10</b>	<b>3,148,762,000.00</b>
偿还债务支付的现金		3,320,416,525.70	1,618,438,000.00
分配股利、利润或偿付利息支付的现金		707,143,424.06	457,343,161.53
其中：子公司支付给少数股东的股利、利润			
支付其他与筹资活动有关的现金		488,296,900.65	257,164,984.07
<b>筹资活动现金流出小计</b>		<b>4,515,856,851.47</b>	<b>2,332,944,145.60</b>
<b>筹资活动产生的现金流量净额</b>		<b>2,015,789,993.63</b>	<b>815,817,854.40</b>
<b>四、汇率变动对现金及现金等价物的影响</b>			
<b>五、现金及现金等价物净增加额</b>	六、48	<b>99,801,179.17</b>	<b>1,468,540,128.14</b>
加：期初现金及现金等价物余额		1,770,074,826.42	301,526,701.25
<b>六、期末现金及现金等价物余额</b>		<b>1,869,876,005.59</b>	<b>1,770,074,826.42</b>

(后附财务报表附注是本财务报表的组成部分)

法定代表人：

主管会计工作负责人：

会计机构负责人：



合并所有者权益变动表

2020年度

金额单位：人民币元

	实收资本	其他权益工具			资本公积	减：库存股	其他综合收益	专项储备	盈余公积	未分配利润	小计	少数股东权益	所有者权益合计
		优先股	永续债	其他									
一、上年年末余额	60,000,000.00				8,378,226.14		483,200.00			1,341,000.00	11,802,426.14	12,965,626.43	11,524,700,004.54
二、本年年初余额					9,796,426.14		483,200.00			1,341,000.00	11,802,426.14	12,965,626.43	11,524,700,004.54
三、本期增减变动金额（减少以“-”号填列）					16,000,000.00					250,200,000.00	266,200,000.00	128,583.42	266,500,187.42
（一）综合收益总额										261,204,586.24	261,204,586.24	128,583.42	261,464,377.64
（二）所有者投入和减少资本					16,000,000.00						16,000,000.00		16,000,000.00
1、所有者投入资本	90,000,000.00				16,000,000.00						106,000,000.00		106,000,000.00
2、其他权益工具持有者投入资本													
3、股份支付计入所有者权益的金额													
4、其他													
（三）利润分配													
1、提取盈余公积													
2、提取一般风险准备													
3、对所有者分配													
4、其他													
（四）所有者权益内部结转													
1、资本公积转增股本													
2、盈余公积转增股本													
3、盈余公积弥补亏损													
4、设定受益计划变动额结转留存收益													
5、其他													
（五）专项储备													
1、专项储备													
2、本期使用													
（六）其他													
四、本年年末余额	100,000,000.00				25,796,426.14		483,200.00			1,591,200.00	11,802,426.14	12,965,626.43	11,891,721,081.34

法定代表人：

主管会计工作负责人：

（后附财务报表附注是本报表的组成部分）

会计机构负责人：

蒋文



编制单位：重庆江北文化产业集团有限公司

# 合并所有者权益变动表（续）

2020年度

金额单位：人民币元

	上期金额							少数股东权益	所有者权益合计
	股本	其他权益工具	资本公积	盈余公积	其他综合收益	专项储备	盈余公积		
	实收资本	优先股	永续债	其他					
一、上年年末余额	70,000,000.00		8,795,236.47		265,108,128.79			11,087,461,620.97	11,098,879,236.06
加：会计政策变更									
前期差错更正									
其他									
二、本年年初余额	70,000,000.00		8,795,236.47		265,108,128.79			11,087,461,620.97	11,098,879,236.06
三、本年年末余额									
（一）综合收益总额									
1. 所有者的投入资本									
2. 其他权益工具持有者投入资本									
3. 股份支付计入所有者权益的金额									
4. 其他									
（二）利润分配									
1. 提取盈余公积									
2. 提取一般风险准备									
3. 对所有者分配的股利									
4. 其他									
（三）所有者权益内部结转									
1. 资本公积转增资本									
2. 盈余公积转增资本									
3. 盈余公积弥补亏损									
4. 设定受益计划变动额结转留存收益									
5. 其他									
（四）专项储备									
1. 本年提取									
2. 本年使用									
（六）其他									
四、本年年末余额	80,000,000.00		8,795,236.47		483,125,588.81			11,508,619,638.61	11,527,230,564.06

法定代表人：

主管会计工作负责人：

（后附财务报表附注及本财务报表组成部分）

会计机构负责人：

# 资产负债表

2020年12月31日

编制单位：重庆巴州文化旅游产业集团有限公司

金额单位：人民币元

项 目	注释	期末余额	年初余额
<b>流动资产</b>			
货币资金		1,887,491.89	382,804.24
以公允价值计量且其变动计入当期损益的金融资产			
衍生金融资产			
应收票据			
应收账款			
预付款项			
其他应收款		532,137,276.02	354,348,323.78
存货			
持有待售资产			
一年内到期的非流动资产			
其他流动资产		28,301.80	
<b>流动资产合计</b>		<b>534,053,069.80</b>	<b>354,731,128.02</b>
<b>非流动资产</b>			
可供出售金融资产			
持有至到期投资			
长期应收款			
长期股权投资	十三、1	10,511,788,145.14	
投资性房地产			
固定资产			
在建工程			
生产性生物资产			
油气资产			
无形资产			
开发支出			
商誉			
长期待摊费用			
递延所得税资产			
其他非流动资产		1,362,117,977.00	1,362,117,977.00
<b>非流动资产合计</b>		<b>11,873,906,122.14</b>	<b>1,362,117,977.00</b>
<b>资产总计</b>		<b>12,407,959,191.94</b>	<b>1,716,849,105.02</b>

(后附财务报表附注是本财务报表的组成部分)

法定代表人：

蒋文

主管会计工作负责人：

会计机构负责人：



## 资产负债表（续）

2020年12月31日

编制单位：重庆亚洲文化旅游产业集团有限公司

金额单位：人民币元

项 目	注释	期末余额	年初余额
<b>流动负债：</b>			
短期借款		100,000,000.00	
以公允价值计量且其变动计入当期损益的金融负债			
衍生金融负债			
应付票据			
应付账款		500,000.00	
预收款项			
应付职工薪酬			
应交税费			
其他应付款		643,589,800.00	664,780,000.00
持有待售负债			
一年内到期的非流动负债			
其他流动负债			
<b>流动负债合计</b>		<b>744,089,800.00</b>	<b>664,780,000.00</b>
<b>非流动负债：</b>			
长期借款			
应付债券			
长期应付款			
长期应付职工薪酬			
预计负债			
递延收益			
递延所得税负债			
其他非流动负债			
<b>非流动负债合计</b>			
<b>负债合计</b>		<b>744,089,800.00</b>	<b>664,780,000.00</b>
<b>所有者权益：</b>			
实收资本		100,000,000.00	10,000,000.00
其他权益工具			
资本公积		11,564,043,622.14	1,042,255,477.00
减：库存股			
其他综合收益			
专项储备			
盈余公积			
未分配利润		-174,230.20	-166,371.98
<b>所有者权益合计</b>		<b>11,663,669,391.94</b>	<b>1,052,069,105.02</b>
<b>负债和所有者权益总计</b>		<b>12,407,959,191.94</b>	<b>1,716,849,105.02</b>

（后附财务报表附注是本财务报表的组成部分）

法定代表人：

蒋文

主管会计工作负责人：

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会计机构负责人：

陈永



# 利润表

2020年度

编制单位：重庆巴州文化旅游产业集团有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
一、营业收入			
减：营业成本			
税金及附加			
销售费用			
管理费用		854,968.11	3,000.00
研发费用			
财务费用		-41,109.89	317.68
其中：利息费用			
利息收入			
加：其他收益		826,000.00	559,356.73
投资收益（损失以“-”号填列）			
其中：对联营企业和合营企业的投资收益			
公允价值变动收益（损失以“-”号填列）			
资产减值损失（损失以“-”号填列）			
资产处置收益（损失以“-”号填列）			
二、营业利润（亏损以“-”号填列）		12,141.78	556,039.05
加：营业外收入			
减：营业外支出			
三、利润总额（亏损总额以“-”号填列）		12,141.78	556,039.05
减：所得税费用			
四、净利润（净亏损以“-”号填列）		12,141.78	556,039.05
（一）持续经营净利润（净亏损以“-”号填列）			
（二）终止经营净利润（净亏损以“-”号填列）			
五、其他综合收益的税后净额			
（一）不能重分类进损益的其他综合收益			
1. 重新计量设定受益计划变动额			
2. 权益法下不能转损益的其他综合收益			
（二）将重分类进损益的其他综合收益			
1. 权益法下可转损益的其他综合收益			
2. 可供出售金融资产公允价值变动损益			
3. 持有至到期投资重分类为可供出售金融资产损益			
4. 现金流量套期损益的有效部分			
5. 外币财务报表折算差额			
6. 其他			
六、综合收益总额		12,141.78	556,039.05

（后附财务报表附注是本财务报表的组成部分）

法定代表人：

蒋文

主管会计工作负责人：

会计机构负责人：

陈玲

# 现金流量表

2020年度

编制单位：重庆巴洲文化旅游产业集团有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
<b>一、经营活动产生的现金流量：</b>			
销售商品、提供劳务收到的现金			
收到的税费返还			
收到其他与经营活动有关的现金		725,163,268.89	1,004,485,516.32
<b>经营活动现金流入小计</b>		<b>725,163,268.89</b>	<b>1,004,485,516.32</b>
购买商品、接受劳务支付的现金			
支付给职工以及为职工支付的现金			
支付的各项税费			
支付其他与经营活动有关的现金		917,729,025.67	684,802,750.73
<b>经营活动现金流出小计</b>		<b>917,729,025.67</b>	<b>684,802,750.73</b>
<b>经营活动产生的现金流量净额</b>		<b>-192,565,756.78</b>	<b>319,682,765.59</b>
<b>二、投资活动产生的现金流量：</b>			
收回投资收到的现金		59,000,000.00	61,000,000.00
取得投资收益收到的现金		826,000.00	559,356.73
处置固定资产、无形资产和其他长期资产收回的现金净额			
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金			
<b>投资活动现金流入小计</b>		<b>59,826,000.00</b>	<b>61,559,356.73</b>
购建固定资产、无形资产和其他长期资产支付的现金			
投资支付的现金		59,000,000.00	380,662,500.00
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金			
<b>投资活动现金流出小计</b>		<b>59,000,000.00</b>	<b>380,662,500.00</b>
<b>投资活动产生的现金流量净额</b>		<b>826,000.00</b>	<b>-319,103,143.27</b>
<b>三、筹资活动产生的现金流量：</b>			
吸收投资收到的现金		100,000,000.00	
取得借款收到的现金		100,000,000.00	
收到其他与筹资活动有关的现金			
<b>筹资活动现金流入小计</b>		<b>200,000,000.00</b>	
偿还债务支付的现金			
分配股利、利润或偿付利息支付的现金		6,755,555.57	
支付其他与筹资活动有关的现金			
<b>筹资活动现金流出小计</b>		<b>6,755,555.57</b>	
<b>筹资活动产生的现金流量净额</b>		<b>193,244,444.43</b>	
<b>四、汇率变动对现金及现金等价物的影响</b>			
<b>五、现金及现金等价物净增加额</b>		<b>1,504,687.65</b>	<b>379,622.32</b>
加：期初现金及现金等价物余额		382,604.24	3,181.92
<b>六、期末现金及现金等价物余额</b>		<b>1,887,491.89</b>	<b>382,604.24</b>

(后附财务报表附注是本财务报表的组成部分)

法定代表人：

蒋文

主管会计工作负责人：

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会计机构负责人：

陈宏

# 所有者权益变动表

2020年度

金额单位：人民币元

项 目	上年年末余额	其他权益工具			资本公积	减：库存股	其他综合收益	专项储备	盈余公积	未分配利润	所有者权益合计
		优先股	永续债	其他							
一、上年年末余额	10,000,000.00				1,002,255,437.00					1,012,255,437.00	1,022,255,437.00
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	10,000,000.00				1,002,255,437.00					1,012,255,437.00	1,022,255,437.00
三、本期增减变动金额（减少以“-”号填列）	90,000,000.00				10,521,708,145.14					12,141,708.14	90,000,000.00
（一）综合收益总额											
（二）所有者投入和减少资本											
1.所有者投入资本	90,000,000.00										90,000,000.00
2.其他权益工具持有者投入资本											
3.股份支付计入所有者权益的金额											
4.其他											
（三）利润分配											
1.提取盈余公积					10,521,708,145.14						10,521,708,145.14
2.提取一般风险准备											
3.对所有者的分配											
4.其他											
（四）所有者权益内部结转											
1.资本公积转增资本											
2.盈余公积转增资本											
3.盈余公积弥补亏损											
4.设定受益计划变动额结转留存收益											
5.其他											
（五）专项储备											
1.本期提取											
2.本期使用											
（六）其他											
四、本年年末余额	100,000,000.00				11,564,053,582.14					12,141,708.14	11,664,053,582.14

法定代表人

蒋文

主管会计工作负责人

（后附财务报表附注基本财务报表的组成部分）

会计机构负责人

（后附财务报表附注基本财务报表的组成部分）



重庆巴蜀文化旅游实业集团有限公司

# 所有者权益变动表 (续)

2020年度

金额单位：人民币元

项 目	实收资本	其他权益工具			资本公积	减：库存股	其他综合收益	专项储备	盈余公积	未分配利润	所有者权益合计
		优先股	永续债	其他							
一、上年年末余额	40,000,000.00				1,042,255,477.00					742,411.03	1,051,553,065.87
加：会计政策变更											
前期差错更正											
其他											
二、本年年初余额	40,000,000.00				1,042,255,477.00					742,411.03	1,051,553,065.87
三、本期增减变动金额（减少以“-”号填列）											
（一）综合收益总额										556,030.05	556,030.05
（二）所有者投入和减少资本											
1、所有者投入资本											
2、其他权益工具持有者投入资本											
3、股份支付计入所有者权益的金额											
4、其他											
（三）利润分配											
1、提取盈余公积											
2、提取一般风险准备											
3、对所有者权益的分配											
4、其他											
（四）股东权益内部结转											
1、资本公积转增资本（或股本）											
2、盈余公积转增资本（或股本）											
3、盈余公积弥补亏损											
4、设定受益计划变动额结转留存收益											
5、其他											
（五）专项储备											
1、本期提取											
2、本期使用											
（六）其他											
四、本年年末余额	40,000,000.00				1,042,255,477.00					1,298,441.08	1,052,598,103.02

法定代表人

蒋文

主管会计工作负责人

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会计机构负责人

1886

# 重庆巴洲文化旅游产业集团有限公司

## 2020 年度财务报表附注

(除特别说明外, 金额单位为人民币元)

### 一、公司基本情况

#### 1. 公司注册地, 组织形式和总部地址

重庆巴洲文化旅游产业集团有限公司(以下简称“本公司”或“公司”)原名重庆巴筑建设有限公司, 成立于 2012 年 8 月 23 日, 注册资本为人民币 100,000.00 万元。本公司统一社会信用代码为 915001130532013163, 注册地址: 重庆市巴南区李家沱融汇大道 7 号 4 楼附 25 号, 法定代表人: 蒋文。

#### 2. 经营范围

本公司经营范围: 房屋建筑和市政基础设施项目工程总承包, 各类工程建设活动, 房地产开发经营, 餐饮服务, 食品经营, 住宿服务, 洗浴服务, 服装装裱印刷品印刷(依法须经批准的项目, 经相关部门批准后方可开展经营活动, 具体经营项目以相关部门批准文件或许可证件为准); 一般项目: 旅游景区管理, 游览景区管理, 名胜风景区管理, 土地整治服务, 园林绿化工程施工, 酒店管理, 不动产租赁, 住房租赁, 柜台、摊位出租, 健身休闲活动, 洗染服务, 五金产品批发, 房地产经纪, 五金产品零售, 办公用品销售, 建筑用金属配件制造, 建筑装饰材料销售, 物业管理(除依法须经批准的项目外, 凭营业执照依法自主开展经营活动)。

#### 3. 公司业务性质和主要经营活动

公司主要承担重庆市巴南区房屋建筑和市政基础设施项目工程总承包, 各类工程建设活动, 房地产开发经营, 餐饮服务等业务。

#### 4. 财务报表的批准报出

本财务报表及财务报表附注已经本公司董事会于 2021 年 4 月 20 日批准报出。

#### 5. 合并财务报表范围

本期纳入合并财务报表范围的子公司共 18 户, 详见本附注八“在其他主体中的权益”。本公司本期合并范围比上期增加 3 户, 详见本附注七“合并范围的变更”。

### 二、财务报表的编制基础

#### 1. 财务报表的编制基础

本公司财务报表以持续经营假设为基础, 根据实际发生的交易和事项, 按照财政部发布的《企业会计准则——基本准则》(财政部令第 33 号发布, 财政部令第 76 号修订)、于 2006 年 2 月 15 日及其后颁布和修订的 42 项具体会计准则、企业会计准则应用指南、企业会计准则解释及其他相关规定

(以下合称“企业会计准则”),以及中国证券监督管理委员会《公开发行证券的公司信息披露编报规则第 15 号——财务报告的一般规定》(2014 年修订)的披露规定编制。

根据企业会计准则的相关规定,本公司会计核算以权责发生制为基础。除某些金融工具及投资性房地产外,本财务报表均以历史成本为计量基础。资产如果发生减值,则按照相关规定计提相应的减值准备。

## 2、持续经营

本公司自报告期末起 12 个月不存在对本公司持续经营能力产生重大疑虑的事项或情况。

## 三、遵循企业会计准则的声明

本公司编制的财务报表符合企业会计准则的要求,真实、完整地反映了本公司 2020 年 12 月 31 日合并及公司的财务状况及 2020 年度的合并及公司的经营成果和现金流量等有关信息。此外,本公司的财务报表在所有重大方面符合中国证券监督管理委员会 2014 年修订的《公开发行证券的公司信息披露编报规则第 15 号—财务报告的一般规定》有关财务报表及其附注的披露要求。

## 四、公司重要会计政策和会计估计

### 1、会计期间

本公司会计期间采用公历年度,即每年自 1 月 1 日起至 12 月 31 日止。

### 2、营业周期

正常营业周期是指本公司从购买用于加工的资产起至实现现金或现金等价物的期间。本公司以 12 个月作为一个营业周期,并以其作为资产和负债的流动性划分标准。

### 3、记账本位币

人民币为本公司及境内子公司经营所处的主要经济环境中的货币。本公司及境内子公司以人民币为记账本位币。本公司之境外子公司根据其经营所处的主要经济环境中的货币确定美元为其记账本位币。

本公司编制本财务报表时所采用的货币为人民币。

### 4、同一控制下和非同一控制下企业合并的会计处理方法

企业合并,是指将两个或两个以上单独的企业合并形成一个报告主体的交易或事项。企业合并分为同一控制下企业合并和非同一控制下企业合并。

#### (1) 同一控制下企业合并

参与合并的企业在合并前后均受同一方或相同的多方最终控制,且该控制并非暂时性的,为同一控制下的企业合并。同一控制下的企业合并,在合并日取得对其他参与合并企业控制权的一方为合并方,参与合并的其他企业为被合并方。合并日,是指合并方实际取得对被合并方控制权的日期。

合并方取得的资产和负债均按合并日在被合并方的账面价值计量。合并方取得的净资产账面价值与支付的合并对价账面价值（或发行股份面值总额）的差额，调整资本公积（股本溢价）；资本公积（股本溢价）不足以冲减的，调整留存收益。

合并方为进行企业合并发生的各项直接费用，于发生时计入当期损益。

## （2）非同一控制下企业合并

参与合并的企业在合并前后不受同一方或相同的多方最终控制的，为非同一控制下的企业合并。非同一控制下的企业合并，在购买日取得对其他参与合并企业控制权的一方为购买方，参与合并的其他企业为被购买方。购买日，是指为购买方实际取得对被购买方控制权的日期。

对于非同一控制下的企业合并，合并成本包含购买日购买方为取得对被购买方的控制权而付出的资产、发生或承担的负债以及发行的权益性证券的公允价值，为企业合并发生的审计、法律服务、评估咨询等中介费用以及其他管理费用于发生时计入当期损益。购买方作为合并对价发行的权益性证券或债务性证券的交易费用，计入权益性证券或债务性证券的初始确认金额。所涉及的或有对价按其在购买日的公允价值计入合并成本，购买日后 12 个月内出现对购买日已存在情况的新的或进一步证据而需要调整或有对价的，相应调整合并商誉。购买方发生的合并成本及在合并中取得的可辨认净资产按购买日的公允价值计量。合并成本大于合并中取得的被购买方于购买日可辨认净资产公允价值份额的差额，确认为商誉。合并成本小于合并中取得的被购买方可辨认净资产公允价值份额的，首先对取得的被购买方各项可辨认资产、负债及或有负债的公允价值以及合并成本的计量进行复核，复核后合并成本仍小于合并中取得的被购买方可辨认净资产公允价值份额的，其差额计入当期损益。

购买方取得被购买方的可抵扣暂时性差异，在购买日因不符合递延所得税资产确认条件而未予确认的，在购买日后 12 个月内，如取得新的或进一步的信息表明购买日的相关情况已经存在，预期被购买方在购买日可抵扣暂时性差异带来的经济利益能够实现的，则确认相关的递延所得税资产，同时减少商誉，商誉不足冲减的，差额部分确认为当期损益；除上述情况以外，确认与企业合并相关的递延所得税资产的，计入当期损益。

通过多次交易分步实现的非同一控制下企业合并，根据《财政部关于印发企业会计准则解释第 5 号的通知》（财会〔2012〕19 号）和《企业会计准则第 33 号——合并财务报表》第五十一条关于“一揽子交易”的判断标准（参见本附注四、5（2）），判断该多次交易是否属于“一揽子交易”。属于“一揽子交易”的，参考本部分前面各段描述及本附注四、11“长期股权投资”进行会计处理；不属于“一揽子交易”的，区分个别财务报表和合并财务报表进行相关会计处理：

在个别财务报表中，以购买日之前所持被购买方的股权投资的账面价值与购买日新增投资成本之和，作为该项投资的初始投资成本；购买日之前持有的被购买方的股权涉及其他综合收益的，在处置该项投资时将与其相关的其他综合收益采用与被购买方直接处置相关资产或负债相同的基础进

行会计处理（即，除了按照权益法核算的在被购买方重新计量设定受益计划净负债或净资产导致的变动中的相应份额以外，其余转入当期投资收益）。

在合并财务报表中，对于购买日之前持有的被购买方的股权，按照该股权在购买日的公允价值进行重新计量，公允价值与其账面价值的差额计入当期投资收益；购买日之前持有的被购买方的股权涉及其他综合收益的，与其相关的其他综合收益应当采用与被购买方直接处置相关资产或负债相同的基础进行会计处理（即，除了按照权益法核算的在被购买方重新计量设定受益计划净负债或净资产导致的变动中的相应份额以外，其余转为购买日所属当期投资收益）。

### 5、合并财务报表编制方法

#### （1）合并财务报表范围的确定原则

合并财务报表的合并范围以控制为基础予以确定。控制是指本公司拥有对被投资方的权力，通过参与被投资方的相关活动而享有可变回报，并且有能力运用对被投资方的权力影响该回报金额。子公司，是指被本公司控制的主体。

一旦相关事实和情况的变化导致上述控制定义涉及的相关要素发生了变化，本公司将进行重新评估。

#### （2）合并财务报表编制的方法

从取得了子公司的净资产和生产经营决策的实际控制权之日起，本公司开始将其纳入合并范围；从丧失实际控制权之日起停止纳入合并范围。对于处置的子公司，处置日前的经营成果和现金流量已经适当地包括在合并利润表和合并现金流量表中；当期处置的子公司，不调整合并资产负债表的期初数。非同一控制下企业合并增加的子公司，其购买日后的经营成果及现金流量已经适当地包括在合并利润表和合并现金流量表中，且不调整合并财务报表的期初数和对比数。同一控制下企业合并增加的子公司，其自合并当期期初至合并日的经营成果和现金流量已经适当地包括在合并利润表和合并现金流量表中，并且同时调整合并财务报表的对比数。

在编制合并财务报表时，子公司与本公司采用的会计政策或会计期间不一致的，按照本公司的会计政策和会计期间对子公司财务报表进行必要的调整。对于非同一控制下企业合并取得的子公司，以购买日可辨认净资产公允价值为基础对其财务报表进行调整。

公司内所有重大往来余额、交易及未实现利润在合并财务报表编制时予以抵销。

子公司的股东权益及当期净损益中不属于本公司所拥有的部分分别作为少数股东权益及少数股东损益在合并财务报表中股东权益及净利润项下单独列示。子公司当期净损益中属于少数股东权益的份额，在合并利润表中净利润项目下以“少数股东损益”项目列示。少数股东分担的子公司的亏损超过了少数股东在该子公司期初股东权益中所享有的份额，仍冲减少数股东权益。

当因处置部分股权投资或其他原因丧失了对原有子公司的控制权时，对于剩余股权，按照其在丧失控制权日的公允价值进行重新计量。处置股权取得的对价与剩余股权公允价值之和，减去按原



持股比例计算应享有原有子公司自购买日开始持续计算的净资产的份额之间的差额，计入丧失控制权当期的投资收益。与原有子公司股权投资相关的其他综合收益，在丧失控制权时采用与被购买方直接处置相关资产或负债相同的基础进行会计处理（即，除了在该原有子公司重新计量设定受益计划净负债或净资产导致的变动以外，其余一并转为当期投资收益）。其后，对该部分剩余股权按照《企业会计准则第 2 号——长期股权投资》或《企业会计准则第 22 号——金融工具确认和计量》等相关规定进行后续计量，详见本附注四、11“长期股权投资”或本附注四、8“金融工具”。

本公司通过多次交易分步处置对子公司股权投资直至丧失控制权的，需区分处置对子公司股权投资直至丧失控制权的各项交易是否属于一揽子交易。处置对子公司股权投资的各项交易的条款、条件以及经济影响符合以下一种或多种情况，通常表明应将多次交易事项作为一揽子交易进行会计处理：①这些交易是同时或者在考虑了彼此影响的情况下订立的；②这些交易整体才能达成一项完整的商业结果；③一项交易的发生取决于其他至少一项交易的发生；④一项交易单独看是不经济的，但是和其他交易一并考虑时是经济的。不属于一揽子交易的，对其中的每一项交易视情况分别按照“不丧失控制权的情况下部分处置对子公司的长期股权投资”（详见本附注四、11、（2）④）和“因处置部分股权投资或其他原因丧失了对原有子公司的控制权”（详见前段）适用的原则进行会计处理。处置对子公司股权投资直至丧失控制权的各项交易属于一揽子交易的，将各项交易作为一项处置子公司并丧失控制权的交易进行会计处理；但是，在丧失控制权之前每一次处置价款与处置投资对应的享有该子公司净资产份额的差额，在合并财务报表中确认为其他综合收益，在丧失控制权时一并转入丧失控制权当期的损益。

#### 6、合营安排的分类及共同经营的会计处理方法

合营安排，是指一项由两个或两个以上的参与方共同控制的安排。本公司根据在合营安排中享有的权利和承担的义务，将合营安排分为共同经营和合营企业。共同经营，是指本公司享有该安排相关资产且承担该安排相关负债的合营安排。合营企业，是指本公司仅对该安排的净资产享有权利的合营安排。

本公司对合营企业的投资采用权益法核算，按照本附注四、11、（2）②“权益法核算的长期股权投资”中所述的会计政策处理。

本公司作为合营方对共同经营，确认本公司单独持有的资产、单独所承担的负债，以及按本公司份额确认共同持有的资产和共同承担的负债；确认出售本公司享有的共同经营产出份额所产生的收入；按本公司份额确认共同经营因出售产出所产生的收入；确认本公司单独所发生的费用，以及按本公司份额确认共同经营发生的费用。

当本公司作为合营方向共同经营投出或出售资产（该资产不构成业务，下同）、或者自共同经营购买资产时，在该等资产出售给第三方之前，本公司仅确认因该交易产生的损益中归属于共同经营其他参与方的部分。该等资产发生符合《企业会计准则第 8 号——资产减值》等规定的资产减值损失



的，对于由本公司向共同经营投出或出售资产的情况，本公司全额确认该损失；对于本公司自共同经营购买资产的情况，本公司按承担的份额确认该损失。

## 7、现金及现金等价物的确定标准

现金是指库存现金以及可以随时用于支付的存款。现金等价物，是指本公司持有的期限短、流动性强、易于转换为已知金额现金、价值变动风险很小的投资。

## 8、金融工具

在本公司成为金融工具合同的一方时确认一项金融资产或金融负债。金融资产和金融负债在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产和金融负债，相关的交易费用直接计入损益；对于其他类别的金融资产和金融负债，相关交易费用计入初始确认金额。

### （1）金融资产和金融负债的公允价值确定方法

公允价值，是指市场参与者在计量日发生的有序交易中，出售一项资产所能收到或者转移一项负债所需支付的价格。金融工具存在活跃市场的，本公司采用活跃市场中的报价确定其公允价值。活跃市场中的报价是指易于定期从交易所、经纪商、行业协会、定价服务机构等获得的价格，且代表了在公平交易中实际发生的市场交易的价格。金融工具不存在活跃市场的，本公司采用估值技术确定其公允价值。估值技术包括参考熟悉情况并自愿交易的各方最近进行的市场交易中使用的价格、参照实质上相同的其他金融工具当前的公允价值、现金流量折现法和期权定价模型等。

### （2）金融资产的分类、确认和计量

以常规方式买卖金融资产，按交易日进行会计确认和终止确认。金融资产在初始确认时划分为以公允价值计量且其变动计入当期损益的金融资产、持有至到期投资、贷款和应收款项以及可供出售金融资产。

#### ①以公允价值计量且其变动计入当期损益的金融资产

包括交易性金融资产和指定为以公允价值计量且其变动计入当期损益的金融资产。

交易性金融资产是指满足下列条件之一的金融资产：A.取得该金融资产的目的，主要是为了近期内出售；B.属于进行集中管理的可辨认金融工具组合的一部分，且有客观证据表明本公司近期采用短期获利方式对该组合进行管理；C.属于衍生工具，但是，被指定且为有效套期工具的衍生工具、属于财务担保合同的衍生工具、与在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资挂钩并须通过交付该权益工具结算的衍生工具除外。

符合下述条件之一的金融资产，在初始确认时可指定为以公允价值计量且其变动计入当期损益的金融资产：A.该指定可以消除或明显减少由于该金融资产的计量基础不同所导致的相关利得或损失在确认或计量方面不一致的情况；B.本公司风险管理或投资策略的正式书面文件已载明，②该金

融资产所在的金融资产组合或金融资产和金融负债组合以公允价值为基础进行管理，评价并向关键管理人员报告。

以公允价值计量且其变动计入当期损益的金融资产采用公允价值进行后续计量，公允价值变动形成的利得或损失以及与该等金融资产相关的股利和利息收入计入当期损益。

#### ②持有至到期投资

是指到期日固定、回收金额固定或可确定，且本公司有明确意图和能力持有至到期的非衍生金融资产。

持有至到期投资采用实际利率法，按摊余成本进行后续计量，在终止确认、发生减值或摊销时产生的利得或损失，计入当期损益。

实际利率法是指按照金融资产或金融负债（含一组金融资产或金融负债）的实际利率计算其摊余成本及各期利息收入或支出的方法。实际利率是指将金融资产或金融负债在预期存续期间或适用的更短期间内的未来现金流量，折现为该金融资产或金融负债当前账面价值所使用的利率。

在计算实际利率时，本公司将在考虑金融资产或金融负债所有合同条款的基础上预计未来现金流量（不考虑未来的信用损失），同时还将考虑金融资产或金融负债合同各方之间支付或收取的、属于实际利率组成部分的各项收费、交易费用及折价或溢价等。

#### ③贷款和应收款项

是指在活跃市场中没有报价、回收金额固定或可确定的非衍生金融资产。本公司划分为贷款和应收款的金融资产包括应收票据、应收账款、应收利息、应收股利及其他应收款等。

贷款和应收款项采用实际利率法，按摊余成本进行后续计量，在终止确认、发生减值或摊销时产生的利得或损失，计入当期损益。

#### ④可供出售金融资产

包括初始确认时即被指定为可供出售的非衍生金融资产，以及除了以公允价值计量且其变动计入当期损益的金融资产、贷款和应收款项、持有至到期投资以外的金融资产。

可供出售债务工具投资的期末成本按照摊余成本法确定，即初始确认金额扣除已偿还的本金，加上或减去采用实际利率法将该初始确认金额与到期日金额之间的差额进行摊销形成的累计摊销额，并扣除已发生的减值损失后的金额。可供出售权益工具投资的期末成本为其初始取得成本。

可供出售金融资产采用公允价值进行后续计量，公允价值变动形成的利得或损失，除减值损失和外币货币性金融资产与摊余成本相关的汇兑差额计入当期损益外，确认为其他综合收益，在该金融资产终止确认时转出，计入当期损益。但是，在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资，以及与该权益工具挂钩并须通过交付该权益工具结算的衍生金融资产，按照成本进行后续计量。

可供出售金融资产持有期间取得的利息及被投资单位宣告发放的现金股利，计入投资收益。

### (3) 金融资产减值

除了以公允价值计量且其变动计入当期损益的金融资产外，本公司在每个资产负债表日对其他金融资产的账面价值进行检查，有客观证据表明金融资产发生减值的，计提减值准备。

本公司对单项金额重大的金融资产单独进行减值测试；对单项金额不重大的金融资产，单独进行减值测试或包括在具有类似信用风险特征的金融资产组合中进行减值测试。单独测试未发生减值的金融资产（包括单项金额重大和不重大的金融资产），包括在具有类似信用风险特征的金融资产组合中再进行减值测试。已单项确认减值损失的金融资产，不包括在具有类似信用风险特征的金融资产组合中进行减值测试。

#### ①持有至到期投资、贷款和应收款项减值

以成本或摊余成本计量的金融资产将其账面价值减记至预计未来现金流量现值，减记金额确认为减值损失，计入当期损益。金融资产在确认减值损失后，如有客观证据表明该金融资产价值已恢复，且客观上与确认该损失后发生的事项有关，原确认的减值损失予以转回，金融资产转回减值损失后的账面价值不超过假定不计提减值准备情况下该金融资产在转回日的摊余成本。

#### ②可供出售金融资产减值

当综合相关因素判断可供出售权益工具投资公允价值下跌是严重或非暂时性下跌时，表明该可供出售权益工具投资发生减值。其中“严重下跌”是指公允价值下跌幅度累计超过 20%；“非暂时性下跌”是指公允价值连续下跌时间超过 12 个月。

可供出售金融资产发生减值时，将原计入其他综合收益的因公允价值下降形成的累计损失予以转出并计入当期损益，该转出的累计损失为该资产初始取得成本扣除已收回本金和已摊销金额、当前公允价值和原已计入损益的减值损失后的余额。

在确认减值损失后，期后如有客观证据表明该金融资产价值已恢复，且客观上与确认该损失后发生的事项有关，原确认的减值损失予以转回，可供出售权益工具投资的减值损失转回确认为其他综合收益，可供出售债务工具的减值损失转回计入当期损益。

在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资，或与该权益工具挂钩并须通过交付该权益工具结算的衍生金融资产的减值损失，不予转回。

### (4) 金融资产转移的确认依据和计量方法

满足下列条件之一的金融资产，予以终止确认：①收取该金融资产现金流量的合同权利终止；②该金融资产已转移，且将金融资产所有权上几乎所有的风险和报酬转移给转入方；③该金融资产已转移，虽然企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产的控制。

若企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且未放弃对该金融资产的控制的，则按照继续涉入所转移金融资产的程度确认有关金融资产，并相应确认有关负债。继

续涉入所转移金融资产的程度，是指该金融资产价值变动使企业面临的风险水平。

金融资产整体转移满足终止确认条件的，将所转移金融资产的账面价值及因转移而收到的对价与原计入其他综合收益的公允价值变动累计额之和的差额计入当期损益。

金融资产部分转移满足终止确认条件的，将所转移金融资产的账面价值在终止确认及未终止确认部分之间按其相对的公允价值进行分摊，并将因转移而收到的对价与应分摊至终止确认部分的原计入其他综合收益的公允价值变动累计额之和与分摊的前述账面金额之差额计入当期损益。

本公司对采用附追索权方式出售的金融资产，或将持有的金融资产背书转让，需确定该金融资产所有权上几乎所有的风险和报酬是否已经转移。已将该金融资产所有权上几乎所有的风险和报酬转移给转入方的，终止确认该金融资产；保留了金融资产所有权上几乎所有的风险和报酬的，不终止确认该金融资产；既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬的，则继续判断企业是否对该资产保留了控制，并根据前面各段所述的原则进行会计处理。

#### （5）金融负债的分类和计量

金融负债在初始确认时划分为以公允价值计量且其变动计入当期损益的金融负债和其他金融负债。初始确认金融负债，以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融负债，相关的交易费用直接计入当期损益；对于其他金融负债，相关交易费用计入初始确认金额。

##### ①以公允价值计量且其变动计入当期损益的金融负债

分类为交易性金融负债和在初始确认时指定为以公允价值计量且其变动计入当期损益的金融负债的条件与分类为交易性金融资产和在初始确认时指定为以公允价值计量且其变动计入当期损益的金融资产的条件一致。

以公允价值计量且其变动计入当期损益的金融负债采用公允价值进行后续计量，公允价值的变动形成的利得或损失以及与该等金融负债相关的股利和利息支出计入当期损益。

##### ②其他金融负债

与在活跃市场中没有报价、公允价值不能可靠计量的权益工具挂钩并须通过交付该权益工具结算的衍生金融负债，按照成本进行后续计量。其他金融负债采用实际利率法，按摊余成本进行后续计量，终止确认或摊销产生的利得或损失计入当期损益。

##### ③财务担保合同

不属于指定为以公允价值计量且其变动计入当期损益的金融负债的财务担保合同，以公允价值进行初始确认，在初始确认后按照《企业会计准则第 13 号—或有事项》确定的金额和初始确认金额扣除按照《企业会计准则第 14 号—收入》的原则确定的累计摊销额后的余额之中的较高者进行后续计量。

#### （6）金融负债的终止确认

金融负债的现时义务全部或部分已经解除的，才能终止确认该金融负债或其一部分。本公司（债

务人)与债权人之间签订协议,以承担新金融负债方式替换现存金融负债,且新金融负债与现存金融负债的合同条款实质上不同的,终止确认现存金融负债,并同时确认新金融负债。

金融负债全部或部分终止确认的,将终止确认部分的账面价值与支付的对价(包括转出的非现金资产或承担的新金融负债)之间的差额,计入当期损益。

#### (7) 衍生工具及嵌入衍生工具

衍生工具于相关合同签署日以公允价值进行初始计量,并以公允价值进行后续计量。除指定为套期工具且套期高度有效的衍生工具,其公允价值变动形成的利得或损失将根据套期关系的性质按照套期会计的要求确定计入损益的期间外,其余衍生工具的公允价值变动计入当期损益。

对包含嵌入衍生工具的混合工具,如未指定为以公允价值计量且其变动计入当期损益的金融资产或金融负债,嵌入衍生工具与该主合同在经济特征及风险方面不存在紧密关系,且与嵌入衍生工具条件相同,单独存在的工具符合衍生工具定义的,嵌入衍生工具从混合工具中分拆,作为单独的衍生金融工具处理。如果无法在取得时或后续的资产负债表日对嵌入衍生工具进行单独计量,则将混合工具整体指定为以公允价值计量且其变动计入当期损益的金融资产或金融负债。

#### (8) 金融资产和金融负债的抵销

当本公司具有抵销已确认金融资产和金融负债的法定权利,且目前可执行该种法定权利,同时本公司计划以净额结算或同时变现该金融资产和清偿该金融负债时,金融资产和金融负债以相互抵销后的金额在资产负债表内列示。除此以外,金融资产和金融负债在资产负债表内分别列示,不予相互抵销。

#### (9) 权益工具

权益工具是指能证明拥有本公司在扣除所有负债后的资产中的剩余权益的合同,本公司发行(含再融资)、回购、出售或注销权益工具作为权益的变动处理。本公司不确认权益工具的公允价值变动。与权益性交易相关的交易费用从权益中扣减。

本公司对权益工具持有方的各种分配(不包括股票股利),减少股东权益。本公司不确认权益工具的公允价值变动额。

### 9、应收款项

应收款项包括应收账款、其他应收款。

#### (1) 坏账准备的确认标准

本公司在资产负债表日对应收款项账面价值进行检查,对存在下列客观证据表明应收款项发生减值的,计提减值准备:①债务人发生严重的财务困难;②债务人违反合同条款(如偿付利息或本金发生违约或逾期等);③债务人很可能倒闭或进行其他财务重组;④其他表明应收款项发生减值的客观依据。



## (2) 坏账准备的计提方法

① 单项金额重大并单项计提坏账准备的应收款项：

单项金额重大的判断依据或金额标准	将单项金额超过 1000 万元的应收款项视为重大应收款项
单项金额重大并单项计提坏账准备的计提方法	根据其未来现金流量现值低于其账面价值的差额，计提坏账准备

② 按信用风险组合计提坏账准备的应收款项的确定依据、坏账准备计提方法：

## A. 信用风险特征组合的确定依据

对于单项金额不重大的应收款项，以及单项金额重大但单独测试后未发生减值的应收款项按信用风险特征划分为若干组合，根据以前年度与之相同或相类似的、具有类似信用风险特征的应收款项组合的实际损失率为基础，结合现时情况确定应计提的坏账准备。

确定组合的依据：

组合类型	组合名称	确定组合的具体依据
组合 1	账龄分析法组合	本公司根据以往的历史经验对应收款项计提比例作出最佳估计，参考应收款项的账龄进行信用风险组合分类
组合 2	无风险组合	根据特定对象和特定性质，认定为无信用风险，包括：各类押金及保证金、政府单位往来款、职工备用金以及与集团合并范围内公司往来款和其他关联方往来款

## B. 根据信用风险特征组合确定的计提方法

采用账龄分析法计提坏账准备的应收款项

账龄	应收账款坏账准备计提比例%	其他应收款坏账准备计提比例%
1 年以内（含 1 年）	0.00	0.00
1 至 2 年（含 2 年）	10.00	10.00
2 至 3 年（含 3 年）	30.00	30.00
3 至 4 年（含 4 年）	50.00	50.00
4 至 5 年（含 5 年）	80.00	80.00
5 年以上	100.00	100.00

采用其他方法计提坏账准备的应收款项

组合名称	方法说明
无风险组合	不计提坏账准备

③ 单项金额虽不重大但单项计提坏账准备的应收款项：

单项计提坏账准备的理由	单项金额不重大且按照组合计提坏账准备不能反映其风险特征的应收款项
坏账准备的计提方法	根据其未来现金流量现值低于其账面价值的差额，计提坏账准备

## 10、存货

## (1) 存货的分类

本公司存货指在日常活动中持有以备出售的产成品或商品，处在生产过程中的在产品、在生产过程中或提供劳务过程中耗用的材料和物料等，包括库存材料、低值易耗品、在产品、库存商品、



土地、开发成本等。

#### (2) 发出存货的计价方法

本公司存货取得时按实际成本计价。原材料、在产品、库存商品、发出商品等发出时采用加权平均法计价。

#### (3) 存货可变现净值的确定依据及存货跌价准备的计提方法

存货可变现净值是按存货的估计售价减去至完工时估计将要发生的成本、估计的销售费用以及相关税费后的金额。在确定存货的可变现净值时，以取得的确凿证据为基础，同时考虑持有存货的目的以及资产负债表日后事项的影响。

于资产负债表日，存货按照成本与可变现净值孰低计量。当其可变现净值低于成本时，计提存货跌价准备。本公司通常按照单个存货项目的成本高于其可变现净值的差额计提存货跌价准备，对于数量繁多、单价较低的存货，按存货类别计提存货跌价准备；对在同一地区生产和销售的产品系列相关、具有相同或类似最终用途或目的，且难以与其他项目分开计量的存货，可合并计提存货跌价准备。

资产负债表日，以前减记存货价值的影响因素已经消失的，存货跌价准备在原已计提的金额内转回。

#### (4) 存货的盘存制度

本公司存货盘存制度采用永续盘存制。

#### (5) 低值易耗品和包装物的摊销方法

本公司低值易耗品领用时采用一次摊销法摊销。

周转用包装物按照一次摊销法计入成本费用。

### 11、长期股权投资

本部分所指的长期股权投资是指本公司对被投资单位具有控制、共同控制或重大影响的长期股权投资。本公司对被投资单位不具有控制、共同控制或重大影响的长期股权投资，作为可供出售金融资产或以公允价值计量且其变动计入当期损益的金融资产核算，其会计政策详见附注四、8“金融工具”。

共同控制，是指本公司按照相关约定对某项安排所共有的控制，并且该安排的相关活动必须经过分享控制权的参与方一致同意后才能决策。重大影响，是指本公司对被投资单位的财务和经营政策有参与决策的权力，但并不能够控制或者与其他方一起共同控制这些政策的制定。

#### (1) 投资成本的确定

对于同一控制下的企业合并取得的长期股权投资，在合并日按照被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本。长期股权投资初始投资成本与支付的现金、转让的非现金资产以及所承担债务账面价值之间的差额，调整资本公积；资本公积不足冲减的，调整留存收益。以发行权益性证券作为合并对价的，在合并日按照被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本，按照发行股份的面值总额作为股本，长期股权投资初始投资成本与所发行股份面值总额之间的差额，调整资本公积；资本公积不足冲减的，调整留存收益。通过多次交易分步取得同一控制下被合并方的股权，最终形成同一控制下企业合并的，应分别是否属于“一揽子交易”进行处理：属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，在合并日按照应享有被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本，长期股权投资初始投资成本与达到合并前的长期股权投资账面价值加上合并日进一步取得股份新支付对价的账面价值之和的差额，调整资本公积；资本公积不足冲减的，调整留存收益。合并日之前持有的股权投资因采用权益法核算或为可供出售金融资产而确认的其他综合收益，暂不进行会计处理。

对于非同一控制下的企业合并取得的长期股权投资，在购买日按照合并成本作为长期股权投资的初始投资成本，合并成本包括购买方付出的资产、发生或承担的负债、发行的权益性证券的公允价值之和。通过多次交易分步取得被购买方的股权，最终形成非同一控制下的企业合并的，应分别是否属于“一揽子交易”进行处理：属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，按照原持有被购买方的股权投资账面价值加上新增投资成本之和，作为改按成本法核算的长期股权投资的初始投资成本。原持有的股权采用权益法核算的，相关其他综合收益暂不进行会计处理。原持有股权投资为可供出售金融资产的，其公允价值与账面价值之间的差额，以及原计入其他综合收益的累计公允价值变动转入当期损益。

合并方或购买方为企业合并发生的审计、法律服务、评估咨询等中介费用以及其他相关管理费用，于发生时计入当期损益。

除企业合并形成的长期股权投资外的其他股权投资，按成本进行初始计量，该成本视长期股权投资取得方式的不同，分别按照本公司实际支付的现金购买价款、本公司发行的权益性证券的公允价值、投资合同或协议约定的价值、非货币性资产交换交易中换出资产的公允价值或原账面价值、该项长期股权投资自身的公允价值等方式确定。与取得长期股权投资直接相关的费用、税金及其他必要支出也计入投资成本。对于因追加投资能够对被投资单位实施重大影响或实施共同控制但不构成控制的，长期股权投资成本为按照《企业会计准则第 22 号——金融工具确认和计量》确定的原持有股权投资的公允价值加上新增投资成本之和。

## （2）后续计量及损益确认方法

对被投资单位具有共同控制（构成共同经营者除外）或重大影响的长期股权投资，采用权益法核算。此外，公司财务报表采用成本法核算能够对被投资单位实施控制的长期股权投资。

#### ①成本法核算的长期股权投资

采用成本法核算时，长期股权投资按初始投资成本计价，追加或收回投资调整长期股权投资的成本。除取得投资时实际支付的价款或者对价中包含的已宣告但尚未发放的现金股利或者利润外，当期投资收益按照享有被投资单位宣告发放的现金股利或利润确认。

#### ②权益法核算的长期股权投资

采用权益法核算时，长期股权投资的初始投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的，不调整长期股权投资的初始投资成本；初始投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的，其差额计入当期损益，同时调整长期股权投资的成本。

采用权益法核算时，按照应享有或应分担的被投资单位实现的净损益和其他综合收益的份额，分别确认投资收益和其他综合收益，同时调整长期股权投资的账面价值；按照被投资单位宣告分派的利润或现金股利计算应享有的部分，相应减少长期股权投资的账面价值；对于被投资单位除净损益、其他综合收益和利润分配以外所有者权益的其他变动，调整长期股权投资的账面价值并计入资本公积。在确认应享有被投资单位净损益的份额时，以取得投资时被投资单位各项可辨认资产等的公允价值为基础，对被投资单位的净利润进行调整后确认。被投资单位采用的会计政策及会计期间与本公司不一致的，按照本公司的会计政策及会计期间对被投资单位的财务报表进行调整，并据以确认投资收益和其他综合收益。对于本公司与联营企业及合营企业之间发生的交易，投出或出售的资产不构成业务的，未实现内部交易损益按照享有的比例计算归属于本公司的部分予以抵销，在此基础上确认投资损益，但本公司与被投资单位发生的未实现内部交易损失，属于所转让资产减值损失的，不予以抵销。本公司向合营企业或联营企业投出的资产构成业务的，投资方因此取得长期股权投资但未取得控制权的，以投出业务的公允价值作为新增长期股权投资的初始投资成本，初始投资成本与投出业务的账面价值之差，全额计入当期损益。本公司向合营企业或联营企业出售的资产构成业务的，取得的对价与业务的账面价值之差，全额计入当期损益。本公司自联营企业及合营企业购入的资产构成业务的，按《企业会计准则第 20 号——企业合并》的规定进行会计处理，全额确认与交易相关的利得或损失。

在确认应分担被投资单位发生的净亏损时，以长期股权投资的账面价值和其他实质上构成对被投资单位净投资的长期权益减记至零为限，此外，如本公司对被投资单位负有承担额外损失的义务，则按预计承担的义务确认预计负债，计入当期投资损失。被投资单位以后期间实现净利润的，本公司在收益分享额弥补未确认的亏损分担额后，恢复确认收益分享额。

对于本公司首次执行新会计准则之前已经持有的对联营企业和合营企业的长期股权投资，如存在与该投资相关的股权投资借方差额，按原剩余期限直线摊销的金额计入当期损益。

### ③收购少数股权

在编制合并财务报表时，因购买少数股权新增的长期股权投资与按照新增持股比例计算应享有子公司自购买日（或合并日）开始持续计算的净资产份额之间的差额，调整资本公积，资本公积不足冲减的，调整留存收益。

### ④处置长期股权投资

在合并财务报表中，母公司在不丧失控制权的情况下部分处置对子公司的长期股权投资，处置价款与处置长期股权投资相对应享有子公司净资产的差额计入股东权益；母公司部分处置对子公司的长期股权投资导致丧失对子公司控制权的，按本附注四、5、（2）“合并财务报表编制的方法”中所述的相关会计政策处理。

其他情形下的长期股权投资处置，对于处置的股权，其账面价值与实际取得价款的差额，计入当期损益。

采用权益法核算的长期股权投资，处置后的剩余股权仍采用权益法核算的，在处置时将原计入股东权益的其他综合收益部分按相应的比例采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理。因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，按比例结转入当期损益。

采用成本法核算的长期股权投资，处置后剩余股权仍采用成本法核算的，其在取得对被投资单位的控制之前因采用权益法核算或金融工具确认和计量准则核算而确认的其他综合收益，采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，并按比例结转当期损益；因采用权益法核算而确认的被投资单位净资产中除净损益、其他综合收益和利润分配以外的其他所有者权益变动按比例结转当期损益。

本公司因处置部分股权投资丧失了对被投资单位的控制的，在编制个别财务报表时，处置后的剩余股权能够对被投资单位实施共同控制或施加重大影响的，改按权益法核算，并对该剩余股权视同自取得时即采用权益法核算进行调整；处置后的剩余股权不能对被投资单位实施共同控制或施加重大影响的，改按金融工具确认和计量准则的有关规定进行会计处理，其在丧失控制之日的公允价值与账面价值之间的差额计入当期损益。对于本公司取得对被投资单位的控制之前，因采用权益法核算或金融工具确认和计量准则核算而确认的其他综合收益，在丧失对被投资单位控制时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，因采用权益法核算而确认的被投资单位净资产中除净损益、其他综合收益和利润分配以外的其他所有者权益变动在丧失对被投资单位控制时结转入当期损益。其中，处置后的剩余股权采用权益法核算的，其他综合收益和其他所有者权益按比例结转；处置后的剩余股权改按金融工具确认和计量准则进行会计处理的，其他综合收益和其他所有者权益全部结转。

本公司因处置部分股权投资丧失了对被投资单位的共同控制或重大影响的，处置后的剩余股权



改按金融工具确认和计量准则核算，其在丧失共同控制或重大影响之日的公允价值与账面价值之间的差额计入当期损益。原股权投资因采用权益法核算而确认的其他综合收益，在终止采用权益法核算时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，在终止采用权益法时全部转入当期投资收益。

本公司通过多次交易分步处置对子公司股权投资直至丧失控制权，如果上述交易属于一揽子交易的，将各项交易作为一项处置子公司股权投资并丧失控制权的交易进行会计处理，在丧失控制权之前每一次处置价款与所处置的股权对应的长期股权投资账面价值之间的差额，先确认为其他综合收益，到丧失控制权时再一并转入丧失控制权的当期损益。

本部分所指的长期股权投资是指本公司对被投资单位具有控制、共同控制或重大影响的长期股权投资。本公司对被投资单位不具有控制、共同控制或重大影响的长期股权投资，作为可供出售金融资产或以公允价值计量且其变动计入当期损益的金融资产核算。

#### (1) 投资成本确定

对于同一控制下的企业合并取得的长期股权投资，在合并日按照被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本。长期股权投资初始投资成本与支付的现金、转让的非现金资产、所承担债务账面价值以及发行股份的面值总额之间的差额，调整资本公积中的股本（资本）溢价；资本公积中的股本（资本）溢价不足冲减的，调整留存收益。（通过多次交易分步取得同一控制下被合并方的股权，最终形成同一控制下企业合并的，应分别是否属于“一揽子交易”进行处理；属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，在合并日按照应享有被合并方股东权益/所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本，长期股权投资初始投资成本与达到合并前的长期股权投资账面价值加上合并日进一步取得股份新支付对价的账面价值之和的差额，调整资本公积；资本公积不足冲减的，调整留存收益。合并日之前持有的股权投资因采用权益法核算或为可供出售金融资产而确认的其他综合收益，暂不进行会计处理）

对于非同一控制下的企业合并取得的长期股权投资，在购买日按照合并成本作为长期股权投资的初始投资成本，合并成本包括购买方付出的资产、发生或承担的负债、发行的权益性证券的公允价值之和。（通过多次交易分步取得被购买方的股权，最终形成非同一控制下的企业合并的，应分别是否属于“一揽子交易”进行处理；属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，按照原持有被购买方的股权投资账面价值加上新增投资成本之和，作为改按成本法核算的长期股权投资的初始投资成本。原持有的股权采用权益法核算的，相关其他综合收益暂不进行会计处理。原持有股权投资为可供出售金融资产的，其公允价值与账面价值之间的差额，以及原计入其他综合收益的累计公允价值变动转入当期损益）

合并方或购买方为企业合并发生的审计、法律服务、评估咨询等中介费用以及其他相关管理费用，于发生时计入当期损益。作为合并对价发行的权益性证券或债务性证券的交易费用，计入权益性证券或债务性证券的初始确认金额。

除企业合并形成的长期股权投资外的其他股权投资，按成本进行初始计量，该成本视长期股权投资取得方式的不同，分别按照本公司实际支付的现金购买价款、本公司发行的权益性证券的公允价值、投资合同或协议约定的价值、非货币性资产交换交易中换出资产的公允价值或原账面价值、该项长期股权投资自身的公允价值等方式确定。与取得长期股权投资直接相关的费用、税金及其他必要支出也计入投资成本。对于因追加投资能够对被投资单位实施重大影响或实施共同控制但不构成控制的，长期股权投资成本为按照《企业会计准则第 22 号——金融工具确认和计量》确定的原持有股权投资的公允价值加上新增投资成本之和。

## （2）后续计量及损益确认方法

### ①成本法核算的长期股权投资

本公司能够对被投资单位实施控制的长期股权投资采用成本法核算，并按照初始投资成本计价，追加或收回投资调整长期股权投资的成本。

采用成本法核算的长期股权投资，除取得投资时实际支付的价款或对价中包含的已宣告但尚未发放的现金股利或利润外，被投资单位宣告分派的现金股利或利润，确认为投资收益计入当期损益。

### ②权益法核算的长期股权投资

本公司对联营企业和合营企业的长期股权投资采用权益法核算；对于其中一部分通过风险投资机构、共同基金、信托公司或包括投连险基金在内的类似主体间接持有的联营企业的权益性投资，采用公允价值计量且其变动计入损益。

本公司对长期股权投资采用权益法核算时，对长期股权投资的投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的，不调整长期股权投资的投资成本；对长期股权投资的投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的，对长期股权投资账面价值进行调整，差额计入投资当期的损益。

本公司取得长期股权投资后，按照应享有或应分担的被投资单位实现的净损益和其他综合收益的份额，分别确认投资收益和其他综合收益，同时调整长期股权投资的账面价值；并按照被投资单位宣告分派的利润或现金股利计算应享有的部分，相应减少长期股权投资的账面价值；对于被投资单位除净损益、其他综合收益和利润分配以外所有者权益的其他变动，调整长期股权投资的账面价值并计入所有者权益。

本公司在按权益法对长期股权投资进行核算时，先对被投资单位的净利润进行取得投资时被投资单位各项可辨认资产等的公允价值、会计政策和会计期间方面的调整，再按应享有或应分担的被投资单位的净损益份额确认当期投资损益。



本公司与联营企业及合营企业之间发生的未实现内部交易损益按照持股比例计算归属于本公司的部分，在抵销基础上确认投资损益。

在公司确认应分担被投资单位发生的亏损时，按照以下顺序进行处理：首先，冲减长期股权投资的账面价值。其次，长期股权投资的账面价值不足以冲减的，以其他实质上构成对被投资单位净投资的长期权益账面价值为限继续确认投资损失，冲减长期应收项目等的账面价值。最后，经过上述处理，按照投资合同或协议约定企业仍承担额外义务的，按预计承担的义务确认预计负债，计入当期投资损失。被投资单位以后期间实现盈利的，公司在扣除未确认的亏损分担额后，按与上述相反的顺序处理，减记已确认预计负债的账面余额、恢复其他实质上构成对被投资单位净投资的长期权益及长期股权投资的账面价值，同时确认投资收益。

### ③长期股权投资的处置

处置长期股权投资，其账面价值与实际取得价款的差额，计入当期损益。采用权益法核算的长期股权投资，在处置该项投资时，采用与被投资单位直接处置相关资产或负债相同的基础，按相应比例对原计入其他综合收益的部分进行会计处理。因被投资单位除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，按比例结转入当期损益。因处置部分股权投资等原因丧失了对被投资单位的共同控制或重大影响的，处置后的剩余股权改按金融工具确认和计量准则核算，其在丧失共同控制或重大影响之日的公允价值与账面价值之间的差额计入当期损益。原股权投资因采用权益法核算而确认的其他综合收益，在终止采用权益法核算时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，在终止采用权益法核算时全部转入当期损益。

因处置部分股权投资等原因丧失了对被投资单位控制权的，在编制个别财务报表时，处置后的剩余股权能够对被投资单位实施共同控制或重大影响的，改按权益法核算，并对该剩余股权视同自取得时即采用权益法核算进行调整；处置后的剩余股权不能对被投资单位实施共同控制或施加重大影响的，改按金融工具确认和计量准则的有关规定进行会计处理，其在丧失控制之日的公允价值与账面价值间的差额计入当期损益。

处置的股权是因追加投资等原因通过企业合并取得的，在编制个别财务报表时，处置后的剩余股权采用成本法或权益法核算的，购买日之前持有的股权投资因采用权益法核算而确认的其他综合收益和其他所有者权益按比例结转；处置后的剩余股权改按金融工具确认和计量准则进行会计处理的，其他综合收益和其他所有者权益全部结转。

### （3）共同控制、重大影响的判断标准

如果本公司按照相关约定与其他参与方集体控制某项安排，并且对该安排回报具有重大影响的活动决策，需要经过分享控制权的参与方一致同意时才存在，则视为本公司与其他参与方共同控制某项安排，该安排即属于合营安排。

合营安排通过单独主体达成的，根据相关约定判断本公司对该单独主体的净资产享有权利时，将该单独主体作为合营企业，采用权益法核算。若根据相关约定判断本公司并非对该单独主体的净资产享有权利时，该单独主体作为共同经营，本公司确认与共同经营利益份额相关的项目，并按照相关企业会计准则的规定进行会计处理。

重大影响，是指投资方对被投资单位的财务和经营政策有参与决策的权力，但并不能够控制或者与其他方一起共同控制这些政策的制定。本公司通过以下一种或多种情形，并综合考虑所有事实和情况后，判断对被投资单位具有重大影响。（1）在被投资单位的董事会或类似权力机构中派有代表；（2）参与被投资单位财务和经营政策制定过程；（3）与被投资单位之间发生重要交易；（4）向被投资单位派出管理人员；（5）向被投资单位提供关键技术资料。

#### （4）减值测试方法及减值准备计提方法

资产负债表日，若存在长期股权投资的账面价值大于享有被投资单位所有者权益账面价值的份额等类似情况时，本公司按照《企业会计准则第8号——资产减值》对长期股权投资进行减值测试，可收回金额低于长期股权投资账面价值的，计提减值准备。具体的计提资产减值的方法见附注四、17。

## 12、投资性房地产

投资性房地产是指为赚取租金或资本增值，或两者兼有而持有的房地产。包括已出租的土地使用权、持有并准备增值后转让的土地使用权、已出租的建筑物等。

投资性房地产按成本进行初始计量。与投资性房地产有关的后续支出，如果与该资产有关的经济利益很可能流入且其成本能可靠地计量，则计入投资性房地产成本。其他后续支出，在发生时计入当期损益。

本公司不对投资性房地产计提折旧或进行摊销。在资产负债表日以投资性房地产的公允价值为基础调整其账面价值，公允价值与原账面价值之间的差额计入当期损益。

确定投资性房地产的公允价值时，参照活跃市场上同类或类似房地产的现行市场价格；无法取得同类或类似房地产的现行市场价格的，参照活跃市场上同类或类似房地产的最近交易价格，并考虑交易情况、交易日期、所在区域等因素，从而对投资性房地产的公允价值作出合理的估计；或基于预计未来获得的租金收益和有关现金流量的现值确定其公允价值。

投资性房地产的用途改变为自用时，自改变之日起，将该投资性房地产转换为固定资产或无形资产。自用房地产的用途改变为赚取租金或资本增值时，自改变之日起，将固定资产或无形资产转换为投资性房地产。发生转换时，转换为采用成本模式计量的投资性房地产的，以转换前的账面价值作为转换后的入账价值；转换为以公允价值模式计量的投资性房地产的，以转换日的公允价值作为转换后的入账价值。

当投资性房地产被处置，或者永久退出使用且预计不能从其处置中取得经济利益时，终止确认该项投资性房地产。投资性房地产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后计入当期损益。

### 13、固定资产

#### (1) 固定资产确认条件

本公司固定资产是指为生产商品、提供劳务、出租或经营管理而持有的，使用寿命超过一个会计年度的有形资产。

与该固定资产有关的经济利益很可能流入企业，并且该固定资产的成本能够可靠地计量时，固定资产才能予以确认。

本公司固定资产按照取得时的实际成本进行初始计量。

#### (2) 各类固定资产的折旧方法

本公司采用年限平均法计提折旧。固定资产自达到预定可使用状态时开始计提折旧，终止确认时或划分为持有待售非流动资产时停止计提折旧。在不考虑减值准备的情况下，按固定资产类别、预计使用寿命和预计残值，本公司确定各类固定资产的年折旧率如下：

固定资产类别	预计使用寿命	预计净残值率%	年折旧率%
房屋建筑物	10-30 年	3.00-5.00	3.23-9.70
机器设备	5-10 年	3.00-5.00	9.70-19.40
运输设备	3-8 年	3.00-5.00	12.13-32.33
管道管网	10-30 年	3.00-5.00	3.23-9.70
电子设备及其他	3-10 年	3.00-5.00	9.70-32.33

其中，已计提减值准备的固定资产，还应扣除已计提的固定资产减值准备累计金额计算确定折旧率。

#### (3) 融资租赁入固定资产的认定依据、计价方法

当本公司租入的固定资产符合下列一项或数项标准时，确认为融资租赁入固定资产：

①在租赁期届满时，租赁资产的所有权转移给本公司。

②本公司有购买租赁资产的选择权，所订立的购买价款预计将远低于行使选择权时租赁资产的公允价值，因而在租赁开始日就可以合理确定本公司将会行使这种选择权。

③即使资产的所有权不转移，但租赁期占租赁资产使用寿命的大部分。

④本公司在租赁开始日的最低租赁付款额现值，几乎相当于租赁开始日租赁资产公允价值。

⑤租赁资产性质特殊，如果不作较大改造，只有本公司才能使用。

融资租赁租入的固定资产，按租赁开始日租赁资产公允价值与最低租赁付款额的现值两者中较

低者，作为入账价值，最低租赁付款额作为长期应付款的入账价值，其差额作为未确认融资费用。在租赁谈判和签订租赁合同过程中发生的，可归属于租赁项目的手续费、律师费、差旅费、印花税等初始直接费用，计入租入资产价值。未确认融资费用在租赁期内各个期间采用实际利率法进行分摊。

融资租入的固定资产采用与自有固定资产一致的政策计提租赁资产折旧。能够合理确定租赁期届满时将会取得租赁资产所有权的，在租赁资产尚可使用年限内计提折旧；无法合理确定租赁期届满时能够取得租赁资产所有权的，在租赁期与租赁资产尚可使用年限两者中较短的期间内计提折旧。

(4) 每年年度终了，本公司对固定资产的使用寿命、预计净残值和折旧方法进行复核。

使用寿命预计数与原先估计数有差异的，调整固定资产使用寿命；预计净残值预计数与原先估计数有差异的，调整预计净残值。

#### 14、在建工程

本公司在建工程成本按实际工程支出确定，包括在建期间发生的各项必要工程支出、工程达到预定可使用状态前的应予资本化的借款费用以及其他相关费用等。

在建工程项目按建造该项资产达到预定可使用状态前所发生的全部支出，作为固定资产的入账价值。所建造的固定资产在建工程已达到预定可使用状态，但尚未办理竣工决算的，自达到预定可使用状态之日起，根据工程预算、造价或者工程实际成本等，按估计的价值转入固定资产，并按本公司固定资产折旧政策计提固定资产的折旧，待办理竣工决算后，再按实际成本调整原来的暂估价值，但不调整原已计提的折旧额。

#### 15、借款费用

借款费用包括借款利息、折价或溢价的摊销、辅助费用以及因外币借款而发生的汇兑差额等。可直接归属于符合资本化条件的资产的购建或者生产的借款费用，在资产支出已经发生、借款费用已经发生、为使资产达到预定可使用或可销售状态所必要的购建或生产活动已经开始时，开始资本化；购建或者生产的符合资本化条件的资产达到预定可使用状态或者可销售状态时，停止资本化。其余借款费用在发生当期确认为费用。

专门借款当期实际发生的利息费用，减去尚未动用的借款资金存入银行取得的利息收入或进行暂时性投资取得的投资收益后的金额予以资本化；一般借款根据累计资产支出超过专门借款部分的资产支出加权平均数乘以所占用一般借款的资本化率，确定资本化金额。资本化率根据一般借款的加权平均利率计算确定。

资本化期间内，外币专门借款的汇兑差额全部予以资本化；外币一般借款的汇兑差额计入当期损益。

符合资本化条件的资产指需要经过相当长时间的购建或者生产活动才能达到预定可使用或可销

售状态的固定资产、投资性房地产和存货等资产。

如果符合资本化条件的资产在购建或生产过程中发生非正常中断、并且中断时间连续超过 3 个月的，暂停借款费用的资本化，直至资产的购建或生产活动重新开始。

#### 16、无形资产

##### (1) 无形资产分类、计价方法、使用寿命及减值测试

本公司无形资产为土地使用权。

无形资产按照成本进行初始计量，并于取得无形资产时分析判断其使用寿命。使用寿命为有限的，自无形资产可供使用时起，采用能反映与该资产有关的经济利益的预期实现方式的摊销方法，在预计使用年限内摊销；无法可靠确定预期实现方式的，采用直线法摊销；使用寿命不确定的无形资产，不作摊销。

对于使用寿命不确定的无形资产，在持有期间内不摊销，每期末对无形资产的寿命进行复核。如果期末重新复核后仍为不确定的，在每个会计期间继续进行减值测试。

##### (2) 研究与开发支出

本公司将内部研究开发项目的支出，区分为研究阶段支出和开发阶段支出。

研究阶段的支出，于发生时计入当期损益。

开发阶段的支出，同时满足下列条件的，才能予以资本化，即：完成该无形资产以使其能够使用或出售在技术上具有可行性；具有完成该无形资产并使用或出售的意图；无形资产产生经济利益的方式，包括能够证明运用该无形资产生产的产品存在市场或无形资产自身存在市场，无形资产将在内部使用的，能够证明其有用性；有足够的技术、财务资源和其他资源支持，以完成该无形资产的开发，并有能力使用或出售该无形资产；归属于该无形资产开发阶段的支出能够可靠地计量。不满足上述条件的开发支出计入当期损益。

本公司研究开发项目在满足上述条件，通过技术可行性及经济可行性研究，形成项目立项后，进入开发阶段。

已资本化的开发阶段的支出在资产负债表上列示为开发支出，自该项目达到预定可使用状态之日转为无形资产。

#### 17、长期资产减值

对于固定资产、在建工程、使用寿命有限的无形资产、以成本模式计量的投资性房地产及对子公司、合营企业、联营企业的长期股权投资等非流动非金融资产，本公司于资产负债表日判断是否存在减值迹象。如存在减值迹象的，则估计其可收回金额，进行减值测试。商誉、使用寿命不确定的无形资产和尚未达到可使用状态的无形资产，无论是否存在减值迹象，每年均进行减值测试。



减值测试结果表明资产的可收回金额低于其账面价值的,按其差额计提减值准备并计入减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产的公允价值根据公平交易中销售协议价格确定;不存在销售协议但存在资产活跃市场的,公允价值按照该资产的买方出价确定;不存在销售协议和资产活跃市场的,则以可获取的最佳信息为基础估计资产的公允价值。处置费用包括与资产处置有关的法律费用、相关税费、搬运费以及为使资产达到可销售状态所发生的直接费用。资产预计未来现金流量的现值,按照资产在持续使用过程中和最终处置时所产生的预计未来现金流量,选择恰当的折现率对其进行折现后的金额加以确定。资产减值准备按单项资产为基础计算并确认,如果难以对单项资产的可收回金额进行估计的,以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

在财务报表中单独列示的商誉,在进行减值测试时,将商誉的账面价值分摊至预期从企业合并的协同效应中受益的资产组或资产组组合。测试结果表明包含分摊的商誉的资产组或资产组组合的可收回金额低于其账面价值的,确认相应的减值损失。减值损失金额先抵减分摊至该资产组或资产组组合的商誉的账面价值,再根据资产组或资产组组合中除商誉以外的其他各项资产的账面价值所占比重,按比例抵减其他各项资产的账面价值。

上述资产减值损失一经确认,以后期间不予转回价值得以恢复的部分。

#### 18、长期待摊费用

本公司发生的长期待摊费用按实际成本计价,并按预计受益期限平均摊销。对不能使以后会计期间受益的长期待摊费用项目,其摊余价值全部计入当期损益。

#### 19、职工薪酬

本公司职工薪酬主要包括短期职工薪酬、离职后福利、辞退福利以及其他长期职工福利。其中:

短期薪酬主要包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、生育保险费、工伤保险费、住房公积金、工会经费和职工教育经费、非货币性福利等。本公司在职工为本公司提供服务的会计期间将实际发生的短期职工薪酬确认为负债,并计入当期损益或相关资产成本。其中非货币性福利按公允价值计量。

离职后福利主要包括基本养老保险、失业保险以及年金等。离职后福利计划包括设定提存计划。采用设定提存计划的,相应的应缴存金额于发生时计入相关资产成本或当期损益。

在职工劳动合同到期之前解除与职工的劳动关系,或为鼓励职工自愿接受裁减而提出给予补偿的建议,在本公司不能单方面撤回因解除劳动关系计划或裁减建议所提供的辞退福利时,和本公司确认与涉及支付辞退福利的重组相关的成本两者孰早日,确认辞退福利产生的职工薪酬负债,并计



入当期损益。但辞退福利预期在年度报告期结束后十二个月不能完全支付的，按照其他长期职工薪酬处理。

职工内部退休计划采用与上述辞退福利相同的原则处理。本公司将自职工停止提供服务日至正常退休日的期间拟支付的内退人员工资和缴纳的社会保险费等，在符合预计负债确认条件时，计入当期损益（辞退福利）。

本公司向职工提供的其他长期职工福利，符合设定提存计划的，按照设定提存计划进行会计处理，除此之外按照设定受益计划进行会计处理。

## 20、预计负债

当与或有事项相关的义务同时符合以下条件，确认为预计负债：（1）该义务是本公司承担的现时义务；（2）履行该义务很可能导致经济利益流出；（3）该义务的金额能够可靠地计量。

在资产负债表日，考虑与或有事项有关的风险、不确定性和货币时间价值等因素，按照履行相关现时义务所需支出的最佳估计数对预计负债进行计量。

如果清偿预计负债所需支出全部或部分预期由第三方补偿的，补偿金额在基本确定能够收到时，作为资产单独确认，且确认的补偿金额不超过预计负债的账面价值。

## 21、收入

### （1）商品销售收入

在已将商品所有权上的主要风险和报酬转移给买方，既没有保留通常与所有权相联系的继续管理权，也没有对已售商品实施有效控制，收入的金额能够可靠地计量，相关的经济利益很可能流入企业，相关的已发生或将发生的成本能够可靠地计量时，确认商品销售收入的实现。

### （2）提供劳务收入

在提供劳务交易的结果能够可靠估计的情况下，于资产负债表日按照完工百分比法确认提供的劳务收入。劳务交易的完工进度按已完工作的测量/已经提供的劳务占应提供劳务总量的比例/已经发生的劳务成本占估计总成本的比例确定。

提供劳务交易的结果能够可靠估计是指同时满足：①收入的金额能够可靠地计量；②相关的经济利益很可能流入企业；③交易的完工程度能够可靠地确定；④交易中已发生和将发生的成本能够可靠地计量。

如果提供劳务交易的结果不能够可靠估计，则按已经发生并预计能够得到补偿的劳务成本金额确认提供的劳务收入，并将已发生的劳务成本作为当期费用。已经发生的劳务成本如预计不能得到补偿的，则不确认收入。

本公司与其他企业签订的合同或协议包括销售商品和提供劳务时，如销售商品部分和提供劳务部分能够区分并单独计量的，将销售商品部分和提供劳务部分分别处理；如销售商品部分和提供劳

务部分不能够区分，或虽能区分但不能够单独计量的，将该合同全部作为销售商品处理。

### （3）确认收入的具体方法

房产销售收入：在房产完工并验收合格，签订了销售合同，取得了买方付款证明并交付使用时确认销售收入的实现。买方接到书面交房通知，无正当理由拒绝接收的，于书面交房通知确认的交付使用时限结束后即确认收入的实现。

供水收入：根据各供水站抄表员提供的各用水单位的抄表数于每月末确认供水收入。

保安服务收入：根据与被服务单位签订服务合同，按履约进度确认收入。

房产出租收入：按与承租方签订的合同或协议规定的承租方付租日期和金额，确认房租出租收入的实现。

## 22、政府补助

政府补助是指本公司从政府无偿取得货币性资产和非货币性资产，不包括政府以投资者身份并享有相应所有者权益而投入的资本。政府补助分为与资产相关的政府补助和与收益相关的政府补助。本公司将所取得的用于购建或以其他方式形成长期资产的政府补助界定为与资产相关的政府补助；其余政府补助界定为与收益相关的政府补助。若政府文件未明确规定补助对象，则采用以下方式将补助款划分为与收益相关的政府补助和与资产相关的政府补助：（1）政府文件明确了补助所针对的特定项目的，根据该特定项目的预算中将形成资产的支出金额和计入费用的支出金额的相对比例进行划分，对该划分比例需在每个资产负债表日进行复核，必要时进行变更；（2）政府文件中对用途仅作一般性表述，没有指明特定项目的，作为与收益相关的政府补助。政府补助为货币性资产的，按照收到或应收的金额计量；政府补助为非货币性资产的，按照公允价值计量；公允价值不能够可靠取得的，按照名义金额计量。按照名义金额计量的政府补助，直接计入当期损益。

与资产相关的政府补助，确认为递延收益，并在相关资产的使用寿命内按照合理、系统的方法分期计入当期损益。与收益相关的政府补助，用于补偿以后期间的相关成本费用或损失的，确认为递延收益，并在确认相关成本费用或损失的期间计入当期损益；用于补偿已经发生的相关成本费用或损失的，直接计入当期损益。

同时包含与资产相关部分和与收益相关部分的政府补助，区分不同部分分别进行会计处理；难以区分的，将其整体归类为与收益相关的政府补助。

与本公司日常活动相关的政府补助，按照经济业务的实质，计入其他收益或冲减相关成本费用；与日常活动无关的政府补助，计入营业外收支。

已确认的政府补助需要退回时，存在相关递延收益余额的，冲减相关递延收益账面余额，超出部分计入当期损益；属于其他情况的，直接计入当期损益。

## 23、递延所得税资产及递延所得税负债

### （1）当期所得税

资产负债表日，对于当期和以前期间形成的当期所得税负债（或资产），以按照税法规定计算的预期应交纳（或返还）的所得税金额计量。计算当期所得税费用所依据的应纳税所得额系根据有关税法规定对本报告期税前会计利润作相应调整后计算得出。

### （2）递延所得税资产及递延所得税负债

某些资产、负债项目的账面价值与其计税基础之间的差额，以及未作为资产和负债确认但按照税法规定可以确定其计税基础的项目的账面价值与计税基础之间的差额产生的暂时性差异，采用资产负债表债务法确认递延所得税资产及递延所得税负债。

与商誉的初始确认有关，以及与既不是企业合并、发生时也不影响会计利润和应纳税所得额（或可抵扣亏损）的交易中产生的资产或负债的初始确认有关的应纳税暂时性差异，不予确认有关的递延所得税负债。此外，对与子公司、联营企业及合营企业投资相关的应纳税暂时性差异，如果本公司能够控制暂时性差异转回的时间，而且该暂时性差异在可预见的未来很可能不会转回，也不予确认有关的递延所得税负债。除上述例外情况，本公司确认其他所有应纳税暂时性差异产生的递延所得税负债。

与既不是企业合并、发生时也不影响会计利润和应纳税所得额（或可抵扣亏损）的交易中产生的资产或负债的初始确认有关的可抵扣暂时性差异，不予确认有关的递延所得税资产。此外，对与子公司、联营企业及合营企业投资相关的可抵扣暂时性差异，如果暂时性差异在可预见的未来不是很可能转回，或者未来不是很可能获得用来抵扣可抵扣暂时性差异的应纳税所得额，不予确认有关的递延所得税资产。除上述例外情况，本公司以很可能取得用来抵扣可抵扣暂时性差异的应纳税所得额为限，确认其他可抵扣暂时性差异产生的递延所得税资产。

对于能够结转以后年度的可抵扣亏损和税款抵减，以很可能获得用来抵扣可抵扣亏损和税款抵减的未来应纳税所得额为限，确认相应的递延所得税资产。

资产负债表日，对于递延所得税资产和递延所得税负债，根据税法规定，按照预期收回相关资产或清偿相关负债期间的适用税率计量。

于资产负债表日，对递延所得税资产的账面价值进行复核，如果未来很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产的利益，则减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额予以转回。

### （3）所得税费用

所得税费用包括当期所得税和递延所得税。

除确认为其他综合收益或直接计入股东权益的交易和事项相关的当期所得税和递延所得税计入其他综合收益或股东权益，以及企业合并产生的递延所得税调整商誉的账面价值外，其余当期所得税和递延所得税费用或收益计入当期损益。

#### （4）所得税的抵销

当拥有以净额结算的法定权利，且意图以净额结算或取得资产、清偿负债同时进行时，本公司当期所得税资产及当期所得税负债以抵销后的净额列报。

当拥有以净额结算当期所得税资产及当期所得税负债的法定权利，且递延所得税资产及递延所得税负债是与同一税收征管部门对同一纳税主体征收的所得税相关或者是对不同的纳税主体相关，但在未来每一具有重要性的递延所得税资产及负债转回的期间内，涉及的纳税主体意图以净额结算当期所得税资产和负债或是同时取得资产、清偿负债时，本公司递延所得税资产及递延所得税负债以抵销后的净额列报。

### 24、租赁

融资租赁为实质上转移了与资产所有权有关的全部风险和报酬的租赁，其所有权最终可能转移，也可能不转移。融资租赁以外的其他租赁为经营租赁。

#### （f）本公司作为承租人记录经营租赁业务

经营租赁的租金支出在租赁期内的各个期间按直线法计入相关资产成本或当期损益。初始直接费用计入当期损益。或有租金于实际发生时计入当期损益。

#### （2）本公司作为出租人记录经营租赁业务

经营租赁的租金收入在租赁期内的各个期间按直线法确认为当期损益。对金额较大的初始直接费用于发生时予以资本化，在整个租赁期间内按照与确认租金收入相同的基础分期计入当期损益；其他金额较小的初始直接费用于发生时计入当期损益。或有租金于实际发生时计入当期损益。

#### （3）本公司作为承租人记录融资租赁业务

于租赁期开始日，将租赁开始日租赁资产的公允价值与最低租赁付款额现值两者中较低者作为租入资产的入账价值，将最低租赁付款额作为长期应付款的入账价值，其差额作为未确认融资费用。此外，在租赁谈判和签订租赁合同过程中发生的，可归属于租赁项目的初始直接费用也计入租入资产价值。最低租赁付款额扣除未确认融资费用后的余额分别长期负债和一年内到期的长期负债列示。

未确认融资费用在租赁期内采用实际利率法计算确认当期的融资费用。或有租金于实际发生时计入当期损益。

#### （4）本公司作为出租人记录融资租赁业务

于租赁期开始日，将租赁开始日最低租赁收款额与初始直接费用之和作为应收融资租赁款的入账价值，同时记录未担保余值；将最低租赁收款额、初始直接费用及未担保余值之和与其现值之和的差额确认为未实现融资收益。应收融资租赁款扣除未实现融资收益后的余额分别长期债权和一年内到期的长期债权列示。

未实现融资收益在租赁期内采用实际利率法计算确认当期的融资收入。或有租金于实际发生时

计入当期损益。

## 25、重大会计判断和估计

本公司在运用会计政策过程中，由于经营活动内在的不确定性，本公司需要对无法准确计量的报表项目的账面价值进行判断、估计和假设。这些判断、估计和假设是基于本公司管理层过去的历史经验，并在考虑其他相关因素的基础上做出的。这些判断、估计和假设会影响收入、费用、资产和负债的报告金额以及资产负债表日或有负债的披露。然而，这些估计的不确定性所导致的结果可能造成对未来受影响的资产或负债的账面金额进行重大调整。

本公司对前述判断、估计和假设在持续经营的基础上进行持续的评价。会计估计的变更仅影响变更当期的，其影响数在变更当期予以确认；既影响变更当期又影响未来期间的，其影响数在变更当期和未来期间予以确认。

于资产负债表日，很可能导致下一会计年度资产和负债的账面价值出现重大调整风险的重要会计估计和关键假设列示如下：

### （1）租赁的归类

本公司根据《企业会计准则第 21 号——租赁》的规定，将租赁归类为经营租赁和融资租赁，在进行归类时，管理层需要对是否已将与租出资产所有权有关的全部风险和报酬实质上转移给承租人，或者本公司是否已经实质上承担与租入资产所有权有关的全部风险和报酬，作出分析和判断。

### （2）坏账准备计提

本公司根据应收款项的会计政策，采用备抵法核算坏账损失。应收账款减值是基于评估应收账款的可收回性。鉴定应收账款减值要求管理层的判断和估计。实际的结果与原先估计的差异将在估计被改变的期间影响应收账款的账面价值及应收账款坏账准备的计提或转回。

### （3）存货跌价准备

本公司根据存货会计政策，按照成本与可变现净值孰低计量，对成本高于可变现净值及陈旧和滞销的存货，计提存货跌价准备。存货减值至可变现净值是基于评估存货的可售性及其可变现净值。鉴定存货减值要求管理层在取得确凿证据，并且考虑持有存货的目的、资产负债表日后事项的影响等因素的基础上作出判断和估计。实际的结果与原先估计的差异将在估计被改变的期间影响存货的账面价值及存货跌价准备的计提或转回。

### （4）金融工具公允价值

对不存在活跃交易市场的金融工具，本公司通过各种估值方法确定其公允价值。这些估值方法包括贴现现金流模型分析等。估值时本公司需对未来现金流量、信用风险、市场波动率和相关性等方面进行估计，并选择适当的折现率。这些相关假设具有不确定性，其变化会对金融工具的公允价



值产生影响。

#### (5) 持有至到期投资

本公司将符合条件的有固定或可确定还款金额和固定到期日且本公司有明确意图和能力持有至到期的非衍生金融资产归类为持有至到期投资。进行此项归类工作需涉及大量的判断。在进行判断的过程中，本公司会对其持有该类投资至到期日的意愿和能力进行评估。除特定情况外（例如在接近到期日时出售金额不重大的投资），如果本公司未能将这些投资持有至到期日，则须将全部该类投资重分类至可供出售金融资产，且在本会计年度及以后两个完整的会计年度内不得再将该金融资产划分为持有至到期投资。如出现此类情况，可能对财务报表上所列报的相关金融资产价值产生重大的影响，并且可能影响本公司的金融工具风险管理策略。

#### (6) 持有至到期投资减值

本公司确定持有至到期投资是否减值在很大程度上依赖于管理层的判断。发生减值的客观证据包括发行方发生严重财务困难使该金融资产无法在活跃市场继续交易、无法履行合同条款（例如，偿付利息或本金发生违约）等。在进行判断的过程中，本公司需评估发生减值的客观证据对该项投资预计未来现金流的影响。

#### (7) 可供出售金融资产减值

本公司确定可供出售金融资产是否减值在很大程度上依赖于管理层的判断和假设，以确定是否需要在利润表中确认其减值损失。在进行判断和作出假设的过程中，本公司需评估该项投资的公允价值低于成本的程度和持续期间，以及被投资对象的财务状况和短期业务展望，包括行业状况、技术变革、信用评级、违约率对手方的风险。

#### (8) 折旧和摊销

本公司对投资性房地产、固定资产和无形资产在考虑其残值后，在使用寿命内按直线法计提折旧和摊销。本公司定期复核使用寿命，以决定将计入每个报告期的折旧和摊销费用数额。使用寿命是本公司根据对同类资产的以往经验并结合预期的技术更新而确定的。如果以前的估计发生重大变化，则会在未来期间对折旧和摊销费用进行调整。

#### (9) 所得税

本公司在正常的经营活动中，有部分交易其最终的税务处理和计算存在一定的不确定性。部分项目是否能够在税前列支需要税收主管机关的审批。如果这些税务事项的最终认定结果同最初估计的金额存在差异，则该差异将对其最终认定期间的当期所得税和递延所得税产生影响。

### 28、主要会计政策、会计估计的变更

#### (1) 会计政策变更



本报告期公司主要会计政策未发生变更。

## (2) 会计估计变更

本报告期公司主要会计估计未发生变更。

## 27、前期会计差错更正

本报告期公司无前期会计差错更正。

## 五、税项

### 1、主要税种及税率

项目	具体税率情况
增值税	应税收入按 13% 的税率计算销项税，并按扣除当期允许抵扣的进项税额后的差额计缴增值税。增值税简易征收税率 5%、3%
教育费附加	按实际缴纳的流转税的 3% 计缴。
地方教育费附加	按实际缴纳的流转税的 2% 计缴。
城市维护建设税	按实际缴纳的流转税的 7% 计缴。
价格调节基金	按实际缴纳的流转税的 0.7% 计缴。
企业所得税	按应纳税所得额的 25% 计缴。

### 2、税收优惠及批文

报告期内无税收优惠政策。

## 六、合并财务报表项目注释

以下注释项目（含公司财务报表主要项目注释）除非特别指出，期初指 2020 年 1 月 1 日，期末指 2020 年 12 月 31 日，本期指 2020 年度，上期指 2019 年度。

### 1、货币资金

项目	期末数	期初数
现金	195,730.85	159,890.35
银行存款	1,869,680,217.73	1,769,925,939.07
其他货币资金	453,650,000.00	66,000,000.00
合计	2,353,526,008.58	1,636,074,829.42

其中：存放在境外的款项总额

其中受限的货币资金明细如下：

项目	期末数	期初数
银行承兑汇票保证金	388,000,000.00	
定期存单	95,650,000.00	66,000,000.00
合计	483,650,000.00	66,000,000.00

### 2、应收票据

项目	期末数	期初数
银行承兑汇票		1,000,000.00

项 目	期末数	期初数
合 计		1,000,000.00

## 3. 应收账款

项 目	期末数	期初数
应收账款	3,089,027.611.45	730,091,262.29
合 计	3,089,027.611.45	730,091,262.29

## (1) 应收账款按种类披露

种类	金额	比例%	期末数		账面价值
			坏账准备	比例%	
单项金额重大并单项计提坏账准备的应收账款					
按信用风险特征组合计提坏账准备的应收账款					
其中：账龄组合	13,865,768.51	0.45	248,985.52	1.80	13,616,782.99
无风险组合	3,075,410,828.46	99.55			3,075,410,828.46
信用风险特征组合小计	3,089,276,596.97	100.00	248,985.52	0.01	3,089,027,611.45
单项金额虽不重大但单项计提坏账准备的应收账款					
合计	3,089,276,596.97	100.00	248,985.52	0.01	3,089,027,611.45

## 应收账款按种类披露（续）

种类	金额	比例%	期初数		账面价值
			坏账准备	比例%	
单项金额重大并单项计提坏账准备的应收账款					
按信用风险特征组合计提坏账准备的应收账款					
其中：账龄组合	11,711,161.26	1.60	179,231.64	1.53	11,531,929.62
无风险组合	718,559,332.67	98.40			718,559,332.67
信用风险特征组合小计	730,270,493.93	100.00	179,231.64	0.02	730,091,262.29
单项金额虽不重大但单项计提坏账准备的应收账款					
合计	730,270,493.93	100.00	179,231.64	0.02	730,091,262.29

## 3)组合中，按账龄分析法计提坏账准备的应收账款

账龄	应收账款	期末数 坏账准备	计提比例%
1年以内（含1年）	13,241,613.11		
1至2年（含2年）			10.00
2至3年（含3年）	535,948.40	160,784.52	30.00
3至4年（含4年）			50.00
4至5年（含5年）			80.00
5年以上	68,201.00	68,201.00	100.00

账龄	应收账款	期末数 坏账准备	计提比例%
合计	13,865,768.51	248,085.52	

组合中，按账龄分析法计提坏账准备的应收账款（续）

账龄	应收账款	期初数 坏账准备	计提比例%
1 年以内（含 1 年）	10,967,053.88		
1 至 2 年（含 2 年）	592,306.45	59,230.64	10
2 至 3 年（含 3 年）			30
3 至 4 年（含 4 年）	63,600.00	31,800.00	50
4 至 5 年（含 5 年）			80
5 年以上	88,201.00	88,201.00	100
合计	11,711,161.26	179,231.64	

组合中，采用无风险组合计提坏账准备的应收账款

组合内容	应收账款	期末数 坏账准备	计提比例%
无风险组合	3,075,410,828.46		
合计	3,075,410,828.46		

组合中，无风险组合计提的应收账款（续）

组合内容	应收账款	期初数 坏账准备	计提比例%
无风险组合	718,559,332.67		
合计	718,559,332.67		

（2）截至 2020 年 12 月 31 日按欠款方归集的期末余额大额明细列示

单位名称	金额	已计提坏账 准备	占应收账款总额的比例%
巴南区工投中心	1,511,938,168.34		52.13
重庆西康经济园区投资实业有限公司	1,412,320,741.66		45.72
重庆巴南经济园区建设实业有限公司	39,220,667.66		1.27
重庆职业技术学院建设开发有限公司	2,248,155.00		0.07
建委（二）接洽政务中心	2,434,344.00		0.08
合计	3,068,062,041.66		99.32

#### 4、应付账款

（1）应付款项按账龄披露

账龄	期末数		期初数	
	金额	比例%	金额	比例%
1 年以内（含 1 年）	90,664,758.52	66.18	15,076,124.00	23.96
1 至 2 年（含 2 年）	12,013,716.79	8.05	2,802,093.87	4.45

账龄	期末数		期初数	
	金额	比例%	金额	比例%
2 至 3 年（含 3 年）	2,487,690.67	1.65	45,050,000.00	71.59
3 年以上	45,003,000.00	29.97		
合计	150,169,205.98	100.00	62,928,217.87	100.00

## (2) 截至 2020 年 12 月 31 日按预付对象归集的期末余额大额预付账款情况

单位名称	金额	占预付款项总额的比例%	账龄
重庆绿谷开发建设有限公司	45,000,000.00	29.97	3-4 年
重庆市巴南区车辆供应服务站	40,143,500.00	26.73	1 年以内
重庆市新事达房地产开发有限公司	29,000,000.00	19.31	1 年以内
重庆市巴南区机关事务中心	18,444,900.00	12.28	1 年以内
山东军辉建设集团有限公司	3,020,155.94	2.01	1-2 年
合计	135,608,555.94	90.30	

## 5、其他应收款

项目	期末数	期初数
应收利息		
应收股利		
其他应收款	1,394,335,184.65	2,150,251,394.77
合计	1,394,335,184.65	2,150,251,394.77

## (1) 其他应收款按种类披露

种类	期末数		期初数		账面价值
	金额	比例%	坏账准备	比例%	
单项金额重大并单项计提坏账准备的 其他应收款					
按信用风险特征组合计提坏账准备的 其他应收款					
其中：账龄组合	64,020,853.21	4.49	30,753,531.02	48.04	33,267,322.19
无风险组合	1,381,067,852.46	95.51			1,381,067,852.46
信用风险特征组合小计	1,425,088,715.67	100.00	30,753,531.02	2.16	1,394,335,184.65
单项金额虽不重大但单项计提坏账准 备的其他应收款					
合计	1,425,088,715.67	100.00	30,753,531.02	2.16	1,394,335,184.65

## 其他应收款按种类披露（续）

种类	期末数		期初数		账面价值
	金额	比例%	坏账准备	比例%	
单项金额重大并单项计提坏账准备的 其他应收款					
按信用风险特征组合计提坏账准备的 其他应收款					
其中：账龄组合	126,261,818.12	5.81	24,230,241.64	19.19	102,031,576.48

种类	金额	比例%	期初数		账面价值
			坏账准备	比例%	
无风险组合	2,048,219.618.29	94.19			2,048,219,618.29
信用风险特征组合小计	2,174,481,636.41	100.00	24,230,241.64	1.11	2,150,251,394.77
单项金额虽不重大但单项计提坏账准备的其他应收款					
合计	2,174,481,636.41	100.00	24,230,241.64	1.11	2,150,251,394.77

① 组合中，按账龄分析法计提坏账准备的其他应收款

账龄	其他应收款	期末数	
		坏账准备	计提比例%
1年以内（含1年）	17,527,253.98		
1至2年（含2年）	1,214,313.70	121,431.37	10.00
2至3年（含3年）	5,130,421.70	1,539,126.51	30.00
3至4年（含4年）	10,139,700.68	5,069,850.35	50.00
4至5年（含5年）	29,930,201.77	23,944,161.41	80.00
5年以上	78,961.38	78,961.38	100.00
合计	64,020,853.21	30,763,531.02	

组合中，按账龄分析法计提坏账准备的其他应收款（续）

账龄	其他应收款	期初数	
		坏账准备	计提比例%
1年以内（含1年）	81,745,808.76		
1至2年（含2年）	6,937,169.50	693,716.96	10.00
2至3年（含3年）	27,231,653.90	8,169,586.17	30.00
3至4年（含4年）	29,940,744.87	14,970,372.44	50.00
4至5年（含5年）	32,874.63	26,299.68	80.00
5年以上	370,266.38	370,266.38	100.00
合计	126,251,818.12	24,230,241.64	

② 组合中，采用无风险组合计提坏账准备的其他应收款

组合内容	其他应收款	期末数	
		坏账准备	计提比例%
无风险组合	1,361,567,862.46		
合计	1,361,567,862.46		

组合中，采用无风险组合计提坏账准备的其他应收款（续）

组合内容	其他应收款	期初数	
		坏账准备	计提比例%
无风险组合	2,048,219,818.29		
合计	2,048,219,818.29		

（2）截至 2020 年 12 月 31 日按欠款方归集的期末余额大额应收账款列示

单位名称	期末余额	账龄	占其他应收款总额的比重%
重庆巴南经济园区投资实业有限公司	687,675,258.34	1年以内	41.24
重庆城南水利发展有限公司	236,567,799.14	1年以内、2-3年	16.60
重庆长江中上游水电建设工程南川区工程管理局委员会	11,958,850.00	1-2年、5年以上	7.86
重庆国际生物城开发投资有限公司	85,920,000.00	1-2年	5.96
重庆南温泉旅游发展有限公司	68,129,958.49	1年以内	4.75
合计	1,089,175,865.97		76.44

## 6、存货

## (1) 存货分类

存货种类	账面余额	期末数 跌价准备	账面价值	账面余额	期初数 跌价准备	账面价值
原材料	1,524,257.76		1,524,257.76	2,353,902.06		2,353,902.06
库存商品	2,337,078.91		2,337,078.91	2,369,431.78		2,369,431.78
开发成本	12,471,612,827.19		12,471,612,827.19	11,546,584,350.88		11,546,584,350.88
低值易耗品	3,598,060.09		3,598,060.09	3,475,750.79		3,475,750.79
合计	12,479,572,233.95		12,479,572,233.95	11,954,783,405.51		11,954,783,405.51

## 7、其他流动资产

项目	期末数	期初数
预付税金	34,888,868.73	24,397,392.64
理财产品	2,500,000.00	37,500,000.00
合计	37,388,868.73	61,897,392.64

## 8、可供出售金融资产

## (1) 可供出售金融资产情况

项目	账面余额	期末数 跌价准备	账面价值	账面余额	期初数 跌价准备	账面价值
可供出售权益工具						
可供出售权益工具	38,970,000.00		38,970,000.00	38,970,000.00		38,970,000.00
按公允价值计量						
按成本计量	38,970,000.00		38,970,000.00	38,970,000.00		38,970,000.00
合计	38,970,000.00		38,970,000.00	38,970,000.00		38,970,000.00

## (2) 期末按成本计量的可供出售金融资产

被投资单位	期初金额	账面余额 本期增加	本期减少	期末余额
重庆巴南源发村镇银行股份有限公司	5,000,000.00			5,000,000.00
重庆市双溪口水利开发有限公司	800,000.00			800,000.00
重庆巴南区道观供水有限公司	210,000.00			210,000.00



被投资单位	账面余额			期末余额
	期初金额	本期增加	本期减少	
重庆南城水务有限公司	300,000.00			300,000.00
重庆市巴南兴农融资担保有限责任公司	30,000,000.00			30,000,000.00
重庆渝教科技集团有限公司	2,660,000.00			2,660,000.00
合计	30,970,000.00			30,970,000.00

## 期末按成本计量的可供出售金融资产（续）

被投资单位	期初金额	减值准备		期末金额	在被投资单位持股比例%	本期现金股利
		本期增加	本期减少			
重庆巴南浦发村镇银行股份有限公司					10.00	
重庆南渡豐田水利开发有限公司					0.11	
重庆市巴南区道角供水有限公司					6.95	
重庆南城水务有限公司					8.55	
重庆市巴南兴农融资担保有限责任公司					15.06	
重庆渝教科技集团有限公司					8.87	
合计					—	

## 9、长期应收款

项目	账面余额	期末数		账面余额	减值准备	账面价值
		账面余额	坏账准备			
融资租赁保证金	134,606,697.98	134,606,697.98	60,544,697.86			60,544,697.86
其中：未实现融资收益	11,435,654.06	11,435,654.06	6,455,302.14			6,455,302.14
合计	134,606,697.98	134,606,697.98	60,544,697.86			60,544,697.86

## 10、投资性房地产

2020 年 12 月 31 日采用公允价值模式进行后续计量的投资性房地产

项目	房屋、建筑物	合计
一、年初余额	1,562,317,976.09	1,562,317,976.09
二、本年变动	320,034,975.55	320,034,975.55
（一）外购	156,267,719.64	156,267,719.64
存货开发完成转入		
企业合并增加		
加：公允价值变动	163,767,255.91	163,767,255.91
减：处置		
其他转出		
三、年末余额	1,882,352,951.64	1,882,352,951.64

## 11、固定资产

2020 年 12 月 31 日固定资产情况

项目	房屋及建筑物	机器设备	运输工具	电子设备	管道线路	合计
一、账面原值合计						
1. 期初余额	86,970,967.57	8,482,428.30	14,503,704.30	8,181,804.55	23,753,367.43	147,892,272.15
2. 本期增加金额	9,969,270.81	656,530.14	129,408.08	335,510.60	7,776,893.43	19,869,603.06
购置		656,530.14	129,408.08	335,510.60	7,776,893.43	8,880,332.25
在建工程转入	9,969,270.81					9,969,270.81
企业合并增加						
3. 本期减少金额		1,198,003.86	330,537.38	1,023,359.01		2,551,850.25
处置或报废		1,198,003.86	330,537.38	1,023,359.01		2,551,850.25
其他转出						
4. 期末余额	96,950,238.38	7,942,954.58	14,282,575.00	7,494,036.14	37,530,250.86	164,210,024.96
二、累计折旧						
1. 期初余额	21,489,899.38	8,423,198.15	12,174,901.29	6,533,430.73	10,229,564.80	58,850,994.35
2. 本期增加金额	2,714,622.72	436,801.03	404,107.55	441,432.26	5,495,899.10	10,492,862.66
计提	2,714,622.72	436,801.03	404,107.55	441,432.26	5,495,899.10	10,492,862.66
企业合并增加						
3. 本期减少金额		1,093,030.98	294,747.92	1,056,761.90		2,444,540.80
处置或报废		1,093,030.98	294,747.92	1,056,761.90		2,444,540.80
其他转出						
4. 期末余额	24,204,522.10	7,766,968.20	12,284,260.92	5,918,101.03	15,725,463.90	66,899,316.21
三、减值准备						
1. 期初余额						
2. 本期增加金额						
3. 本期减少金额						
4. 期末余额						
四、账面价值合计						
1. 期末账面价值	72,755,716.28	175,986.38	1,998,314.08	1,575,935.11	20,804,786.96	97,310,708.75
2. 期初账面价值	65,481,068.19	59,230.15	2,328,803.01	1,648,373.82	19,523,802.63	89,041,277.80

## 12、在建工程

## (1) 在建工程明细

项目	期末数		期初数	
	账面余额	减值准备	账面余额	减值准备
渣滓脱水工程	186,570,685.12		174,181,351.12	

项目	期初数		期初数	
	账面余额	减值准备	账面净额	账面余额
禹润排水工程	112,262,717.26		112,262,717.26	97,193,841.74
巴滨路新建临时停车场及原有停车场整改维修工程	178,885.00		178,885.00	178,885.00
佳兆业广场二期	40,935,863.76		40,935,863.76	17,521,060.71
佳兆业办公室	25,138,932.39		25,138,932.39	26,055,244.67
佳兆业车位	4,461,000.20		4,461,000.20	2,506,714.40
档案室	220,822.25		220,822.25	220,822.25
合计	369,768,905.98		369,768,905.98	317,857,919.89

## (2) 重大在建工程项目本期变动情况

工程名称	期初数	本期增加	本期减少	转入固定资产	期末数
滨江供水工程	174,181,351.12	12,389,334.00			165,570,685.12
禹润排水工程	97,193,841.74	25,116,803.51	58,067.18	9,989,270.61	112,262,717.26
巴滨路新建临时停车场及原有停车场整改维修工程	178,885.00				178,885.00
佳兆业广场二期	17,521,060.71	23,414,803.05			40,935,863.76
佳兆业办公室	26,055,244.67		916,312.28		25,138,932.39
佳兆业车位	2,506,714.40	1,934,285.80			4,461,000.20
档案室	220,822.25				220,822.25
合计	317,857,919.89	62,875,226.35	974,989.46	9,989,270.61	369,768,905.98

## 13、无形资产

## 无形资产情况

项目	账面	合计
一、账面原值		
1 期初余额	511,879.99	511,879.99
2 本期增加金额		
(1) 购置		
(2) 股东投入		
3 本期减少金额		
(1) 其他转出		
4 期末余额	511,879.99	511,879.99
二、累计摊销		
1 期初余额	494,654.73	494,654.73
2 本期增加金额	10,451.96	10,451.96
(1) 计提	10,451.96	10,451.96
3 本期减少金额		
(1) 其他转出		
4 期末余额	505,106.69	505,106.69
三、减值准备		

项目	数	合计
1. 期初余额		
2. 本期增加金额		
3. 本期减少金额		
4. 期末余额		
四、账面价值		
1. 期末账面价值	6,773.30	6,773.30
2. 期初账面价值	17,225.26	17,225.26

## 14. 长期待摊费用

项目	期初数	本期增加	本期摊销	其他减少	期末数
租赁发行费	4,714,285.61		1,285,714.32		3,428,571.29
装修费	105,702.20		75,510.60		30,191.60
本期摊销金额	1,916,217.39		871,451.62		1,044,766.19
合计	6,736,205.80		2,232,676.72		4,503,529.08

## 15. 递延所得税资产、递延所得税负债

## (1) 未经抵销的递延所得税资产

项目	期末数		期初数	
	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异	递延所得税资产
资产减值准备	31,002,516.54	7,750,629.15	24,409,473.28	6,102,368.34
合计	31,002,516.54	7,750,629.15	24,409,473.28	6,102,368.34

## (2) 未经抵销的递延所得税负债明细

项目	期末数		期初数	
	应纳税暂时性差异	递延所得税负债	应纳税暂时性差异	递延所得税负债
投资性房地产公允价值变动	836,676,294.82	209,669,573.70	674,509,038.92	168,727,259.73
递延收益	2,500,671.23	625,167.80		
合计	841,176,966.02	210,294,741.50	674,509,038.92	168,727,259.73

## 16. 其他非流动资产

项目	期末数	期初数
货币资产	3,779,184,700.00	3,779,184,700.00
管网资产	170,673,500.00	170,673,500.00
股权投资等	3,806,654,861.83	3,608,654,861.83
长期预付	763,552,861.12	
其他资产	364,996,900.00	
其他资产	336,862,500.00	319,662,500.00
合计	9,223,927,322.95	8,078,375,561.83

## 17. 短期借款

## (1) 短期借款明细分类

项目	期末数	期初数
抵押借款	29,000,000.00	39,000,000.00
保证借款	145,650,000.00	200,000,000.00
质押借款	95,650,000.00	
信用借款	100,000,000.00	
保证+质押借款	95,550,000.00	
合计	465,950,000.00	239,000,000.00

## (2) 截至 2020 年 12 月 31 日短期借款明细

贷款单位	借款起始日	借款终止日	借款年利率	期末余额	借款类别
广发银行	2020-01-21	2021-01-20	4.3500%	95,650,000.00	质押+保证
浙商银行	2020-03-26	2021-03-25	4.3500%	95,650,000.00	质押
光大银行	2020-12-31	2021-12-30	5.9000%	95,550,000.00	保证
农商行巴南支行	2020-04-13	2021-04-12	6.1000%	10,000,000.00	抵押
农商行巴南支行	2020-11-26	2021-11-25	6.1000%	19,000,000.00	抵押
浙商银行巴南支行	2020-04-14	2021-04-13	7.9000%	50,000,000.00	保证
中信银行重庆分行	2020-01-20	2021-01-19	8.0000%	100,000,000.00	信用
合计	—	—	—	465,950,000.00	—

## 18、应付票据

项目	期末数	期初数
银行承兑汇票	568,000,000.00	132,000,000.00
合计	568,000,000.00	132,000,000.00

## 19、应付账款

种类	期末数	期初数
应付账款	936,236,100.83	214,159,220.77
合计	936,236,100.83	214,159,220.77

## (1) 应付账款按账龄列示

账龄	期末数		期初数	
	金额	比例%	金额	比例%
1 年以内	799,644,591.64	85.41	101,580,775.33	47.43
1 至 2 年	58,500,155.47	6.25	5,463,181.50	2.55
2 至 3 年	3,356,567.80	0.41	17,316,051.25	8.09
3 年以上	74,234,785.92	7.93	89,797,199.71	41.93
合计	936,236,100.83	100.00	214,159,220.77	100.00

## (2) 截至 2020 年 12 月 31 日应付账款期末余额大额明细列示

单位名称	金额	账龄	比例%
重庆国际生物城开发集团有限公司	745,464,083.58	1 年以内	79.62
重庆市巴南区人民政府征迁办公室	85,000,000.00	1-5 年	9.08
重庆源晟建设工程有限公司	19,070,758.40	1 年以内	2.04

单位名称	金额	账龄	比例%
中煤国际技术合作公司	57,821,289.54	5 年以上	1.90
重庆市巴南区教育委员会	9,350,000.00	1 年以内	1.08
合计	877,306,131.52		93.70

## 20、预收款项

(1) 预收款项按账龄列示

账龄	期初数		期末数	
	金额	比例%	金额	比例%
1 年以内	1,472,334,316.11	99.90	304,796,745.45	99.38
1 至 2 年	1,137,739.71	0.06	775,245.17	0.25
2 至 3 年	402,595.57	0.02	1,411,724.81	0.38
3 年以上	7,356.82	0.00		
合计	1,473,580,008.21	100.00	306,683,716.43	100.00

(2) 截至 2020 年 12 月 31 日预收款项期末余额大额明细列示

单位名称	金额	账龄	比例%
重庆市巴南区征地事务中心	1,227,527,280.83	1 年以内	83.31
重庆经邦置业发展有限公司	115,335,405.85	1 年以内	7.83
重庆市巴南区中央生态建设指挥部办公室	43,663,500.00	1 年以内	2.96
重庆市巴南区铁路枢纽站环线巴南段建设指挥部	33,236,618.16	1 年以内	2.26
重庆市巴南区南川至铜梁段区高速公路巴南段建设指挥部	29,296,390.00	1 年以内	1.99
合计	1,449,359,184.84		98.35

## 21、应付职工薪酬

(1) 截至 2020 年 12 月 31 日应付职工薪酬分类

项目	期初数	本期增加	本期减少	期末数
短期薪酬	14,888,668.24	183,649,607.50	173,248,751.97	18,089,524.17
离职后福利-设定提存计划	19,943.26	2,417,603.55	2,437,546.81	
辞退福利	10,037,179.80	2,772,068.00	163,538.34	12,643,651.46
合计	24,745,791.30	188,837,279.45	181,849,895.12	31,733,175.63

(2) 截至 2020 年 12 月 31 日短期薪酬

项目	期初数	本期增加	本期减少	期末数
(1) 工资、奖金、津贴和补贴	14,683,881.19	158,695,065.09	154,297,011.16	18,082,955.12
(2) 职工福利费		7,893,580.84	7,893,580.84	
(3) 社会保险费		8,965,488.55	8,905,488.55	
其中：医疗保险费		8,845,359.71	8,845,359.71	
工伤保险费		97,181.12	97,181.12	
生育保险费		22,947.72	22,947.72	
(4) 住房公积金		3,655,578.03	3,653,794.00	1,782.00
(5) 工会经费和职工教育经费	4,767.03	4,438,877.42	4,438,877.42	4,767.05



项目	期初数	本期增加	本期减少	期末数
(6) 短期借款				
(7) 短期融资券				
(8) 其他短期融资				
合计	14,688,668.24	163,649,607.90	179,248,751.97	19,089,524.17

## (3) 截至 2020 年 12 月 31 日设定提存计划

项目	期初数	本期增加	本期减少	期末数
基本养老保险费	19,943.26	2,220,966.26	2,240,939.62	
失业保险费		97,332.29	97,332.29	
企业年金缴费		99,275.00	99,275.00	
合计	19,943.26	2,417,603.55	2,437,546.91	

## 22. 应交税费

项目	期末数	期初数
增值税	253,200,317.62	186,906,574.87
企业所得税	207,853,064.24	192,711,700.26
城市维护建设税	18,920,136.36	10,773,968.01
教育费附加	13,412,638.75	7,591,648.66
房产税	679,611.22	1,324,463.32
代扣代缴个人所得税	233,322.04	294,593.69
印花税	15,420.10	81,709.80
土地使用税	67,027.62	25,633.18
合计	494,382,567.63	376,690,294.21

## 23. 其他应付款

项目	期末数	期初数
应付利息	93,575,941.70	63,879,035.76
应付股利		
其他应付款	3,503,407,770.55	4,794,565,355.16
合计	3,596,983,712.25	4,858,464,390.94

## (1) 应付利息明细

项目	期末数	期初数
企业债券利息	3,537,500.00	42,833,774.35
其他银行及负债利息	90,488,441.70	21,045,261.41
合计	93,575,941.70	63,879,035.76

## (2) 其他应付款

1. 其他应付款按账龄列示

账龄	期末数		期初数	
	金额	比例%	金额	比例%
1 年以内	1,070,997,542.13	30.57	1,990,794,310.10	41.52

账龄	期末数		期初数	
	金额	比例%	金额	比例%
1 至 2 年	1,493,122,765.65	42.62	2,012,950,612.14	41.99
2 至 3 年	649,509,517.35	18.54	295,522,509.70	6.16
3 年以上	289,777,941.96	8.27	495,307,623.24	10.33
合计	3,503,407,770.55	100.00	4,794,585,055.18	100.00

②截至 2020 年 12 月 31 日其他应付款期末余额大额明细列示:

单位名称	金额	账龄	比例%
重庆市巴南区人民政府征地办公室	1,201,315,898.45	1-3 年	34.29
重庆职业技术学院重庆建设有限公司	484,155,555.55	1-3 年	13.82
巴南区财政局	848,967,479.65	2-3 年	24.23
重庆市南部新城产业投资集团有限公司	167,922,300.00	1 年以内	4.79
重庆巴南经济园区建设实业有限公司	16,095,043.72	3-4 年	0.46
合计	2,718,456,277.37	---	77.59

#### 24、一年内到期的非流动负债

项目	期末数	期初数
1 年内到期的长期借款	822,892,568.45	805,386,000.00
1 年内到期的应付债券	650,000,300.00	150,000,000.00
1 年内到期的其他非流动负债	303,000,000.00	147,300,000.00
1 年内到期的长期应付款	1,282,607,984.53	---
合计	3,058,500,852.98	1,102,386,000.00

#### 25、长期借款

##### (1) 长期借款分类

项目	期末数	期初数
质押借款	1,110,000,000.00	1,434,542,050.00
抵押借款	406,828,048.76	276,750,000.00
保证借款	2,228,755,619.71	1,536,300,000.00
信用借款	---	739,900,000.00
合计	3,745,613,666.47	3,987,492,000.00

##### (2) 截至 2020 年 12 月 31 日长期借款明细

贷款单位	借款起始日	借款终止日	借款年利率%	期末余额	借款类别
重庆农村商业银行	2016-8-22	2031-8-21	5.98%	1,110,000,000.00	质押借款
渣打国际银行	2020-4-20	2022-4-20	前 4 个月 7.5%, 4 个月后 8%	60,800,000.00	抵押借款
华夏银行	2020-5-28	2023-5-27	5.50%	38,800,000.00	保证借款
华夏银行	2020-6-24	2023-6-23	5.50%	24,250,000.00	保证借款
中航国际租赁有限公司	2020-6-24	2022-6-24	5.75%	78,286,341.71	信用借款
建信信托有限责任公司	2020-11-10	2022-11-10	7.00%	340,000,000.00	保证借款
中国农业发展银行重庆市巴南区支行	2017-2-28	2032-2-27	4.53%	241,950,000.00	抵押借款

贷款单位	借款起始日	借款终止日	借款年利率%	期末余额	借款类别
重庆金融租赁有限责任公司	2020-12-29	2023-12-29	6.20	150,000,000.00	保证借款
中国农业发展银行重庆巴南支行	2019-12-13	2034-12-12	5.39	195,750,050.00	保证借款
中国农业发展银行重庆巴南支行	2020-12-25	2034-12-12	5.39	140,000,000.00	保证借款
中信银行股份有限公司重庆分行	2020-7-24	2023-7-23	4.70	12,378,048.75	质押借款
中信银行股份有限公司重庆分行	2020-9-4	2023-8-31	4.05	2,500,000.00	抵押借款
农发行巴南支行	2019-11-20	2034-11-17	5.34	497,800,000.00	保证借款
农发行巴南支行	2020-3-24	2034-11-17	4.79	312,450,000.00	保证借款
江苏金融租赁股份有限公司	2020-11-25	2022-11-25	6.4399	5,609,278.00	保证借款
光大银行	2017-03-22	2027-3-22	4.9916	182,000,000.00	信用借款
中国农业发展银行重庆巴南支行	2020-7-31	2037-5-26	浮动利率(基准利率3.85%)	307,000,000.00	保证借款
合计				3,745,613,668.47	

## 25、应付债券

项目	期末数	期初数
项目取得值	300,000,000.00	450,000,000.00
19 巴南公路 PPNO01	299,248,347.96	298,518,913.60
19 巴南公路 PPNO02	696,814,926.39	696,620,138.52
19 巴南公路 PPNO03	564,670,000.00	564,670,000.00
合计	1,660,933,275.35	2,009,309,052.12

## 27、长期应付款

项目	期末数	期初数
长期应付款	1,601,456,321.90	633,498,881.99
专项应付款	1,134,531,335.19	1,079,293,405.84
合计	2,935,967,657.09	1,712,792,287.83

## (1) 长期应付款

款项性质	期末数	期初数
融资租赁费	1,933,448,771.67	729,248,144.75
减：未确认融资费用	131,992,449.77	95,749,262.76
合计	1,801,456,321.90	633,498,881.99

## (2) 专项应付款

款项性质	期初数	本期增加	本期减少	期末数
重庆巴南区一品污水处理厂项目	9,602,640.00			9,602,640.00
东溪泉污水处理厂项目	29,160,000.00			29,160,000.00
海棠污水处理厂主管网建设工程项目	52,000,000.00		3,385,820.65	48,614,179.35
鹿角污水厂技改工程项目	1,446,838.00			1,446,838.00
红星村、红岩村、白鹤村、虎蹄村、... 等农村污水管网建设工程项目	2,961,500.00	17,030,000.00		19,991,500.00
合川区镇雄石污水处理厂主管网改建工程	682,050.00		682,050.00	

款项性质	期初数	本期增加	本期减少	期末数
云篆山景区下山路工程项目	7,702,500.00			7,702,500.00
东泉镇景路延伸段（东泉镇旅游道）改善工程项目	17,640,000.00			17,640,000.00
仁渡水库工程项目	18,900,000.00			18,900,000.00
云篆山景区下山路（专管）（下马路）升级改造二期项目	16,490,000.00			16,490,000.00
木洞镇传统风貌区文物建筑特保护区修缮工程及木洞附属工程项目	17,092,000.00			17,092,000.00
S106 升级改造工程项目	25,000,000.00			25,000,000.00
学校建设资金（区教委）	34,520,377.84			34,520,377.84
诚信大桥工程项目	1,760,000.00			1,760,000.00
巴岳办、孝坪乡项目资金	804,000,000.00			804,000,000.00
湖塘公园项目自筹项目建设资金	40,316,000.00			40,316,000.00
长江黄溪河入口岸岸工程		34,275,800.00		34,275,800.00
河坝沟水管网升级改造工程项目		8,000,000.00		8,000,000.00
合计	1,079,293,435.84	58,305,800.00	4,267,870.65	1,134,531,335.13

## 25. 递延收益

款项性质	期初数	本期增加	本期减少	期末数
政府补助		4,297,600.00	1,796,928.81	2,500,671.19
合计		4,297,600.00	1,796,928.81	2,500,671.19

其中：涉及政府补助的项目：

补助项目	一、年年末余额	本期新增补助金额	本期计入营业外收入金额	本期计入其他收益金额	其他变动	期末余额	与资产/收益相关
安渡供水站新建工程		1,800,000.00		877,500.00		922,500.00	资产相关
圣灯山水厂改造工程		2,497,600.00		919,428.81		1,578,171.19	资产相关
合计		4,297,600.00		1,796,928.81		2,500,671.19	

## 29. 其他非流动负债

项目	期末数	期初数
兴业国际信托有限公司		150,000,000.00
中信信托有限责任公司		153,000,000.00
合计		303,000,000.00

## 30. 实收资本

投资者名称	期初数		本期增加	本期减少	期末数	
	金额	持股比例%			金额	持股比例%
重庆市巴南区国有资产管理中心	10,000,000.00	100.00	90,000,000.00		100,000,000.00	100.00
合计	10,000,000.00	100.00	90,000,000.00		100,000,000.00	100.00

## 31. 资本公积

项目	期初数	本期增加	本期减少	期末数
其他资本公积	9,795,235,142.35	10,000,000.00		9,805,235,142.35
合计	9,795,235,142.35	10,000,000.00		9,805,235,142.35

## 32. 其他综合收益

项目	期初数	本期增加	本期减少	期末数
投资性房地产公允价值变动	463,230,988.61			463,230,988.61
合计	463,230,988.61			463,230,988.61

## 33. 未分配利润

项目	本期金额	上期金额
调整前上期未分配利润	1,241,051,507.65	1,036,104,672.96
调整前期未分配利润会计数（调增+，调减-）		
调整前期未分配利润	1,241,051,507.65	1,036,104,672.96
加：本期归属于母公司所有者权益的净利和	281,204,968.38	208,819,334.59
减：提取法定盈余公积		
提取任意盈余公积		
提取储备基金		
提取企业发展基金		
提取职工奖励基金		
提取一般风险基金		
应付普通股股利	22,024,100.00	1,872,550.30
转作股本的普通股股利		
优先股股利		
对股东的利润分配		
利润归还投资		
其他	-60,000.00	
50：盈余公积弥补亏损		
结转年初计提设定受益计划净负债或净资产所产生的变动		
所有者权益其他内部结转		
期末未分配利润	1,500,292,216.03	1,241,051,507.65

## 34. 营业收入和营业成本

## (1) 营业收入和营业成本分类情况

项目	本期金额		上期金额	
	收入	成本	收入	成本
主营业务	3,046,614,359.64	2,676,102,895.64	1,983,158,468.88	1,783,002,345.32
其他业务	72,190,138.32	25,561,136.07	57,416,096.56	33,663,871.50
合计	3,118,804,497.96	2,901,655,031.71	2,040,574,565.44	1,816,666,216.82

## (2) 主营业务按产品分类

产品类别	本期金额		上期金额	
	收入	成本	收入	成本
工程业务	39,174,200.95	34,079,329.68	867,247,955.99	754,456,682.03
供水业务	64,605,153.36	55,495,280.07	62,799,384.83	53,425,818.97
保安服务	154,270,444.10	123,036,513.70	159,551,262.54	130,273,765.54
商品销售	37,382,353.86	29,030,881.37	48,497,937.33	38,789,322.83
土地整理	1,388,663,464.21	1,319,230,291.00	820,244,735.27	621,774,070.70
其他	19,536,594.40	2,240,250.80	24,517,222.92	4,262,684.25
安置房销售	1,342,962,156.95	1,313,021,339.02		
合计	3,046,014,359.84	2,876,103,995.84	1,983,158,466.89	1,783,022,345.32

## 35、税金及附加

项目	本期金额	上期金额
城市建设维护税	4,833,852.24	3,712,233.46
教育费附加	3,452,751.56	2,651,595.34
房产税	2,815,769.37	1,294,987.05
土地使用税	226,827.85	778,006.84
车船使用税	7,619.90	10,041.66
印花税	56,479.90	147,623.30
耕地占用税	942,573.87	
契税	1,119,067.57	
环境保护税	206,185.84	343,622.30
合计	13,462,629.20	8,944,109.95

## 36、销售费用

项目	本期金额	上期金额
办公费	264,326.66	157,034.01
业务宣传费	310.00	2,008,547.01
运费	177,341.72	320,706.81
差旅费	312,209.00	303,840.00
员工工资	2,124,039.50	2,035,522.60
培训费	100,000.00	62,236.00
福利费	427,020.28	86,891.00
餐费	355,804.00	321,765.00
租赁费	235,456.88	43,906.88
折旧费	175,351.82	131,062.60
低耗品摊销	26,200.00	53,053.00
业务招待费	20,045.00	37,363.00
修理费	143,320.60	131,040.60
过路费	19,017.64	22,216.80
车辆保险费	70,477.40	75,635.62
其他费用	12,872.55	31,085.00



项目	本期金额	上期金额
定制软件服务费	10,010.00	21,800.00
水电费	603,287.22	262,940.66
合计	5,077,080.08	6,086,716.39
37、管理费用		
项目	本期金额	上期金额
业务招待费	52,843.70	310,237.06
职工薪酬	40,758,984.53	61,451,203.93
办公费	2,080,741.62	1,952,558.27
折旧、摊销费	2,223,437.19	3,028,934.43
差旅费	3,110,168.71	4,387,604.25
车辆使用、维修费	1,247,505.41	1,882,343.69
宣传费	1,657,658.58	301,150.20
水电费	884,162.18	650,720.78
新建工程经费	164,968.94	113,171.25
律师服务费	55,200.00	35,000.00
物管费	740,261.99	1,319,003.68
中介服务费	6,773,059.58	4,733,694.07
劳务费	894,529.42	519,285.11
其他费用	4,911,880.46	343,487.19
礼品费	587,631.11	954,207.03
餐费	164,500.00	169,900.00
差旅交通费	57,200.00	10,400.00
诉讼费		112,209.00
邮寄、通信费	315,857.77	422,634.29
环境污染责任险	180,000.00	150,000.00
物业费	40,293.40	170,141.30
残疾人保障金	60,151.40	15,444.00
体系认证及年审费	37,415.52	17,719.56
保安协会会费	103,524.40	70,940.00
食堂费用	1,369,375.90	1,217,632.49
合计	67,971,145.61	74,329,031.58
38、财务费用		
项目	本期金额	上期金额
利息支出	7,068,322.15	5,993,759.87
减：利息收入	5,481,655.84	2,284,281.57
汇兑损益		
其他	2,090,604.44	2,347,908.79
合计	3,687,270.75	6,057,387.19
39、其他收益		

项目	本期金额	上期金额
政府补助	83,104,522.05	106,867,925.92
退役军人抚恤费等	1,921,659.59	1,756,495.00
合计	85,026,181.64	108,624,420.92

## 40、投资收益

项目	本期金额	上期金额
可供出售金融资产持有期间以公允价值计量的投资收益	2,443,330.08	1,489,413.93
理财产品到期赎回收益	2,932,715.79	1,632,252.94
处置其他投资取得的投资		
合计	5,376,045.87	3,121,666.87

## 41、公允价值变动损益

项目	本期金额	上期金额
以公允价值计量的投资性房地产	163,767,255.91	1,611,636.21
合计	163,767,255.91	1,611,636.21

## 42、资产减值损失

项目	本期金额	上期金额
坏账损失	-6,593,043.26	-11,524,102.37
合计	-6,593,043.26	-11,524,102.37

## 43、资产处置收益

项目	本期金额	上期金额
处置资产处置收益	303,131.14	64,453.87
合计	303,131.14	64,453.87

## 44、营业外收入

项目	本期金额	上期金额
政府补助	1,481,852.70	2,992,297.70
赔偿款收入	492,799.03	270,385.72
同一控制下企业合并产生收益		16,817,068.67
利息收入	658,363.56	
减免社保费补助收入	144,583.67	
其他	5,838,687.76	145,198.62
合计	6,597,385.72	20,014,550.71

## 45、营业外支出

项目	本期金额	上期金额
对外捐赠	4,162,690.65	2,014,359.59
滞纳金		1,000,000.00
其他赔偿		1,804,418.12
罚款、滞纳金	11,559,194.96	6,844,820.33
其他	5,504,402.18	400,160.86

项目	本期金额	上期金额
合计	20,786,287.79	13,063,753.20

46、所得税费用

项目	本期金额	上期金额
按税法及相关规定计算的当期所得税	41,349,100.58	32,258,052.99
递延所得税费用	39,918,720.96	-3,358,984.65
合计	81,267,821.54	28,899,068.34

47、所有者权益变动

项目	本期金额	上期金额
货币资金	483,650,000.00	66,000,000.00
合计	483,650,000.00	66,000,000.00

48、现金流量表补充资料

(1) 现金流量表补充资料

项目	本期金额	上期金额
1) 将净利润调节为经营活动现金流量：		
净利润	281,464,297.60	208,141,512.18
加：资产减值准备	6,593,043.25	31,624,102.37
固定资产折旧、油气资产折耗、生产性生物资产折旧	10,492,862.66	5,079,068.94
无形资产摊销	10,451.96	53,223.11
投资性房地产折旧及摊销		
长期待摊费用摊销	2,232,678.72	1,161,210.61
处置固定资产、无形资产和其他长期资产的损失(收益以“-”号填列)	-303,131.14	-64,463.87
固定资产报废损失(收益以“-”号填列)		75,055.05
公允价值变动损失(收益以“-”号填列)	-163,767,255.91	-1,611,836.21
财务费用(收益以“-”号填列)	7,088,322.15	5,993,759.97
投资损失(收益以“-”号填列)	-5,376,045.61	-3,121,656.87
递延所得税资产减少(增加以“-”号填列)	-1,648,260.81	-3,064,490.42
递延所得税负债增加(减少以“-”号填列)	41,566,961.77	74,777,112.99
存货减少(增加以“-”号填列)	-524,286,738.44	-452,917,901.18
经营性应收项目的减少(增加以“-”号填列)	-1,664,762,653.24	-3,065,602,001.89
经营性应付项目的增加(减少以“-”号填列)	407,713,310.27	4,329,891,027.03
其他		
经营活动产生的现金流量净额	-1,802,974,086.82	1,110,403,712.10
2) 不涉及现金收支的重大投资和筹资活动：		
债务转为资本		
一年内到期的可转换公司债券		
库存现金转入固定资产		
3) 现金及现金等价物净变动情况：		
现金的期末余额	1,869,876,008.59	1,770,074,829.42

项目	本期金额	上期金额
减：现金的期初余额	1,770,074,829.42	301,526,701.28
加：现金等价物的期末余额		
减：现金等价物的期初余额		
现金及现金等价物净增加额	99,801,179.17	1,468,548,128.14

## (2) 现金及现金等价物的构成

项目	本期发生额	上期发生额
一、现金	1,869,876,008.59	1,770,074,829.42
其中：库存现金	195,790.86	168,890.35
可随时用于支付的银行存款	1,869,680,217.73	1,769,905,939.07
可随时用于支付的其他货币资金		
可用于支付的存放中央银行款项		
存放同业款项		
拆放同业款项		
二、现金等价物		
其中：三个月内到期的债券投资		
三、期末现金及现金等价物余额	1,869,876,008.59	1,770,074,829.42
其中：母公司或集团内子公司使用受限制的现金及现金等价物		

## 七、合并范围的变更

## 1. 本期发生的非同一控制下企业合并

报告期内未发生非同一控制下企业合并事项。

## 2. 本期发生的同一控制下企业合并

根据重庆市巴南区人民政府文件，巴南府发【2020】15号文件，关于组建重庆巴南文化旅游产业集团有限公司的通知，将重庆市巴南公路有限公司 100.00%股权无偿划拨给本公司，与此同时将重庆市盛旅游开发有限公司、重庆市本诚文旅实业开发有限公司、重庆巴鑫建设有限公司由原来重庆巴南公路有限公司全资子公司提升为本公司全资子公司，将重庆畅宜达建设有限公司由重庆巴南公路有限公司全资子公司划转至重庆巴鑫建设有限公司全资子公司；将重庆巴源建设投资有限公司 100.00%股权无偿划拨给本公司；将重庆巴南保安服务有限公司 100.00%股权、重庆贝思特人力资源开发有限公司 100.00%股权及重庆市巴南教育发展有限公司 54.29%的国有股权划转给重庆巴鑫建设有限公司。

## 3. 本期发生的反向购买

报告期内未发生反向购买事项。

## 4. 处置子公司

报告期内未发生处置子公司事项。

## 5. 其他原因的合并范围变动

无变动。

## 八、在其他主体中的权益

在子公司中的权益

企业集团二级子公司的构成

子公司名称	主要经营地	注册地	业务性质	持股比例%		取得方式
				直接	间接	
重庆市巴南公路建设有限公司	重庆巴南	重庆巴南	土地整治开发；对城市开发建设项目	100		划拨
重庆瑞创建设投资有限公司	重庆巴南	重庆巴南	公路工程、土石方工程		100	划拨
重庆渝江水务公司	重庆巴南	重庆巴南	水利综合开发，电器设备，仪器仪表，建筑材料		100	划拨
重庆禹润排水有限公司	重庆巴南	重庆巴南	从事污水处理厂项目建设和运行管理、日常维护		100	划拨
重庆市仙沐苑温泉度假酒店有限公司	重庆巴南	重庆巴南	餐饮服务；中餐类制售		100	划拨
重庆东温泉旅游开发建设有限公司	重庆巴南	重庆巴南	利用自有资金对景区开发、建设项目投资与管理		100	划拨
重庆巴南建设投资有限公司	重庆巴南	重庆巴南	城市建设投资；城市基础设施建设	100		划拨
重庆创隆置业有限公司	重庆巴南	重庆巴南	房地产开发（凭资质证书执业）、园林绿化工程		100	划拨
重庆颐文建设有限公司	重庆巴南	重庆巴南	房地产开发经营		100	划拨
重庆巴鑫建设有限公司	重庆巴南	重庆巴南	利用自有资金从事投资相关业务及相关建设工程	100		划拨
重庆弘恩特人力资源开发有限公司	重庆巴南	重庆巴南	人力资源服务；职业中介活动；劳务派遣服务		100	划拨
重庆弘恩特人力资源（重庆）有限公司	重庆巴南	重庆巴南	人力资源供求信息的数据、整理、储存、发布和咨询		100	划拨
重庆巴南教育发展有限公司	重庆巴南	重庆巴南	经营劳务派遣、零售		100	划拨
重庆巴南保安服务有限公司	重庆巴南	重庆巴南	门卫、巡逻、守护、随身护卫、安全检查、安全技术防范、安全风险评估、秩序维护		100	划拨
重庆畅宜达建设有限公司	重庆巴南	重庆巴南	房屋建筑工程、市政工程、园林绿化工程、道路照明工程设计、施工		100	划拨
重庆丰盛旅游开发有限公司	重庆巴南	重庆巴南	旅游项目开发；生态农业旅游开发及观光		100	划拨
重庆市大洞文旅实业开发有限公司	重庆巴南	重庆巴南	市政工程和市政基础设施的建设及运营管理		100	划拨
重庆市路网公路工程质量检测有限公司	重庆巴南	重庆巴南	公路工程和市政工程施工检测		100	投资设立

## 九、关联方及关联交易

## 1. 本公司的母公司情况

母公司名称	注册地	业务性质	母公司对本公司的持股比例%	母公司对本公司的表决权比例%
重庆市巴南区国有资产管理中心	重庆市巴南区	国家机关	100.00	100.00

## 2. 本公司的子公司情况

子公司情况详见附注八、在子公司的权益。

### 3、本公司的其他关联方情况

无

### 4、关联交易情况

#### (1) 关联采购与销售情况

报告期内未发生关联采购与销售情况。

#### (2) 关联担保情况

担保方	被担保方	担保类型	担保余额 (万元)	担保开始 日	担保结束 日
重庆市巴南公路建设有限公司	重庆巴南建设投资有限公司	保证	17,600.00	2016-04-27	2021-04-27
重庆巴南建设投资有限公司	重庆红途置业有限公司	保证	25,800.00	2017-03-22	2027-03-21
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	35,000.00	2020-11-10	2022-11-10
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	22,822.36	2020-06-24	2022-06-24
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	21,168.23	2020-06-28	2022-06-15
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	20,000.00	2020-10-30	2022-10-30
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	20,000.00	2020-09-15	2022-09-16
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	19,500.00	2020-06-28	2022-06-28
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	13,325.39	2020-04-15	2024-04-14
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	11,050.00	2019-03-28	2021-03-27
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	10,060.00	2020-11-25	2022-11-25
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	9,565.00	2020-12-30	2021-12-30
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	7,628.00	2020-06-23	2022-06-23
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	3,980.00	2020-05-26	2023-06-27
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	3,636.00	2020-05-07	2022-04-20
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	3,116.00	2020-04-20	2022-04-20
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	2,475.00	2020-06-24	2023-06-23
重庆市巴南公路建设有限公司	重庆瑞洲建设投资有限公司	保证	114,800.00	2016-08-22	2031-08-21
重庆瑞洲建设投资有限公司	重庆市巴南公路建设有限公司	保证	1,566.70	2016-03-10	2021-03-11
重庆市巴南公路建设有限公司	重庆渝江水务公司	保证	11,820.00	2017-02-28	2031-09-22
重庆市巴南公路建设有限公司	重庆渝江水务公司	保证	7,200.00	2016-12-16	2031-09-22
重庆市巴南公路建设有限公司	重庆渝江水务公司	保证	5,000.00	2020-04-14	2021-04-13
重庆瑞洲建设投资有限公司	重庆渝江水务公司	保证	2,900.00	2020-04-13	2021-04-08
合计	—	—	389,150.68	—	—

## 十、承诺及或有事项

### (一) 重要承诺事项

截至 2020 年 12 月 31 日，本公司不存在应披露的承诺事项。



## (一)或有事项

## 1、担保事项

为关联方提供担保详见“附注九、4、（2）关联担保情况”

截至2020年12月31日，本公司为非关联方单位贷款提供担保情况如下：

担保方	被担保方	担保类型	担保金额（万元）	担保开始日	担保结束日
重庆市巴南公路建设有限公司	重庆公路物流基地建设投资有限公司	保证	100,000.00	2016-04-21	2036-01-04
重庆市巴南公路建设有限公司	重庆公路物流基地建设投资有限公司	保证	30,000.00	2016-05-26	2036-01-04
重庆市巴南公路建设有限公司	重庆公路物流基地建设投资有限公司	保证	28,000.00	2016-06-30	2036-01-04
重庆市巴南公路建设有限公司	重庆公路物流基地建设投资有限公司	保证	22,000.00	2016-08-23	2036-01-04
重庆市巴南公路建设有限公司	重庆公路物流基地建设投资有限公司	保证	20,000.00	2016-12-20	2036-01-04
重庆市巴南公路建设有限公司	重庆公路物流基地建设投资有限公司	保证	46,420.00	2018-06-29	2036-01-04
重庆市巴南公路建设有限公司	重庆市巴南区鑫上土地整治有限公司	保证	27,816.00	2016-06-22	2026-06-16
重庆市巴南公路建设有限公司	重庆市巴南区鑫上土地整治有限公司	保证	24,029.00	2017-01-03	2026-06-16
重庆市巴南公路建设有限公司	重庆智城水务有限公司	保证	13,200.00	2019-04-01	2022-03-31
重庆市巴南公路建设有限公司	重庆国际生物城开发投资有限公司	保证	8,500.00	2019-04-01	2021-03-28
重庆市巴南公路建设有限公司	重庆市成易水利开发有限公司	保证	8,100.00	2016-04-27	2028-04-20
重庆市巴南公路建设有限公司	重庆市成易水利开发有限公司	保证	5,600.00	2016-06-30	2028-04-20
重庆市巴南公路建设有限公司	重庆市成易水利开发有限公司	保证	3,300.00	2017-12-22	2028-04-20
重庆市巴南公路建设有限公司	重庆市巴南区鑫上土地整治有限公司	保证	55.00	2016-06-17	2026-06-16
重庆巴渝文化旅游产业集团有限公司	重庆巴南经济园区建设实业有限公司	保证	37,563.00	2016-08-31	2031-08-30
重庆巴渝文化旅游产业集团有限公司	重庆巴南经济园区建设实业有限公司	保证	30,600.00	2016-12-19	2031-08-30
重庆巴渝文化旅游产业集团有限公司	重庆巴南经济园区建设实业有限公司	保证	14,000.00	2017-01-06	2031-08-30
重庆巴渝文化旅游产业集团有限公司	重庆巴南经济园区建设实业有限公司	保证	130.00	2016-09-20	2031-08-30
重庆巴渝文化旅游产业集团有限公司	重庆公路物流基地建设投资有限公司	保证	20,000.00	2017-03-17	2027-03-14
重庆巴渝文化旅游产业集团有限公司	重庆公路物流基地建设投资有限公司	保证	20,000.00	2017-04-06	2027-03-14
重庆巴渝文化旅游产业集团有限公司	重庆公路物流基地建设投资有限公司	保证	11,800.00	2017-04-07	2027-03-14
重庆巴渝文化旅游产业集团有限公司	重庆公路物流基地建设投资有限公司	保证	6,100.00	2017-05-27	2027-03-14

担保方	被担保方	担保类型	担保金额(万元)	担保开始日	担保结束日
重庆巴南文化旅游产业集团有限公司	重庆公路交通基础设施建设有限公司	保证	3,465.00	2017-03-16	2027-03-14
合计	--		480,398.00	---	

2. 截至2020年12月31日,公司资产抵质押情况如下:

截至2020年12月31日,重庆瑞州建设投资有限公司以38,800.00万元货币资金为保证金,取得华夏银行股份有限公司重庆分行银行承兑汇票余额38,800.00万元。

截止2020年12月31日,重庆瑞州建设投资有限公司以9,565.00万元货币资金为保证金,取得光大银行巴南支行短期借款9,565.00万元。

除上述事项外,截至2020年12月31日,本公司不存在其他应披露的或有事项。

#### 十一、资产负债表日后事项

截至2021年4月20日,本公司不存在其他应披露的资产负债表日后事项。

#### 十二、其他重要事项

无

#### 十三、母公司财务报表主要项目注释

##### 1、长期股权投资

项目	账面余额	期末减值准备	账面价值	账面余额	期末减值准备	账面价值
对子公司投资	10,511,788,145.14		10,511,788,145.14			
合计	10,511,788,145.14		10,511,788,145.14			

被投资单位	期初余额	本期增加	本期减少	期末数	本期计提减值准备	持股比例	表决权比例
重庆官巴河公路建设有限公司		8,480,683,402.38		8,480,683,402.38		100%	100%
重庆巴溪建设投资开发有限公司		1,479,732,189.97		1,479,732,189.97		100%	100%
重庆巴鑫建设有限公司		305,899,285.37		305,899,285.37		100%	100%
重庆土溪旅游开发有限公司		136,018,151.73		136,018,151.73		100%	100%
重庆巴南文旅实业开发有限公司		109,455,115.69		109,455,115.69		100%	100%
重庆官路通公路工程建设集团有限公司						100%	100%
合计		10,511,788,145.14		10,511,788,145.14		---	-

(本页无正文)

法定代表人:



主管会计工作负责人:

会计机构负责人:

重庆巴洲文化旅游产业集团有限公司

2021 年 4 月 20 日





统一社会信用代码  
91110000783632412

# 营业执照

(副本) (6-2)



名称 亚太(集团)会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

执行事务合伙人 吕庆军

经营范围

审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关审计报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。(市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。)

成立日期 2013年09月02日

合伙期限 2013年09月02日至长期

主要经营场所 北京市丰台区丽泽路16号院3号楼20层2001

登记机关



2020年11月15日

国家企业信用信息公示系统网址: <http://www.gsxt.gov.cn>

市场主体应当于每年1月1日至6月30日通过  
国家企业信用信息公示系统报送公示年度报告。

北京市市场监督管理局



## 会计师事务所 执业证书

名称：亚太（集团）会计师事务所（特殊普通合伙）

首席合伙人：赵庆军

主任会计师：

经营场所：北京市丰台区丽泽路16号院3号楼20层2001



组织形式：特殊普通合伙

执业证书编号：11010075

批准执业文号：京财会许可[2013]0052号

批准执业日期：2013年08月09日

证书序号：0014468

## 说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师特定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：

北京市财政局



二〇一〇年十一月十一日

中华人民共和国财政部制



证书序号: 000366

# 会计师事务所 证券、期货相关业务许可证

经财政部、中国证券监督管理委员会审查, 批准  
亚太(集团)会计师事务所(特殊普通合伙)执行证券、期货相关业务。

首席合伙人: 王承龙



证书号: 51

发证时间: 二〇一二年十二月十日

证书有效期至: 二〇一三年十二月十日





姓名: 于雷

证书编号: 110004360015

姓名: 于雷  
Full name: 于雷  
性别: 女  
Sex: 女  
出生日期: 1985-12-04  
Date of birth: 1985-12-04  
工作单位: 北京国府嘉融会计师事务所有限公司  
Working unit: 北京国府嘉融会计师事务所有限公司  
身份证号码: 130828198512040028  
Identity card No.: 130828198512040028



### 注册会计师工作单位变更事项登记 Registration of the Change of Working Unit by a CPA

同意调出  
Agree the holder to be transferred from



同意调入  
Agree the holder to be transferred to



证书编号:  
No. of Certificate: 110004360015

批准注册协会:  
Authorized Institute of CPA 北京注册会计师协会

发证日期:  
Date of Issuance: 2014 年 07 月 16 日



姓名: 李彦斌

证书编号: 110000102621

李彦斌  
男  
1969-10-25  
北京兴华会计师事务所有限责任公司  
132421691025121

姓 名 Full name  
性 别 Sex  
出 生 日 期 Date of birth  
工 作 单 位 Working unit  
身 份 证 号 码 Identity card No.



### 注册会计师工作单位变更事项登记 Registration of the Change of Working Unit by a CPA

同意调出  
Agree the holder to be transferred to



事务所  
CPA

转出协会盖章  
Stamp of the transfer-out Institute of CPAs  
2014年 9 月 4 日

同意调入  
Agree the holder to be transferred to



事务所  
CPAs

转入协会盖章  
Stamp of the transfer-in Institute of CPAs  
2014年 5 月 4 日

证书编号:  
No. of Certificate

批准注册协会:  
Authorized Institute of CPAs

发证日期:  
Date of issuance

110000102621  
北京注册会计师协会  
2006-1-6

## | **Chapter X   Financial Statements** |

**Evergrowing Bank Co., Limited  
2021 Financial Statements and Auditor's Report**

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# | Auditor's Report |

PwC ZT Shen Zi (2022) No. 26181

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To the shareholders of Evergrowing Bank Co., Limited,

## 1 Opinion

### *(1) What we have audited*

We have audited the accompanying financial statements of Evergrowing Bank Co., Limited (hereinafter “Evergrowing Bank”), which comprise:

- the consolidated and bank balance sheets as at 31 December 2021;
- the consolidated and bank income statements for the year then ended;
- the consolidated and bank cash flow statements for the year then ended;
- the consolidated and bank statements of changes in shareholders' equity for the year then ended; and
- notes to the financial statements.

### *(2) Our opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and bank financial position of Evergrowing Bank as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with the requirements of the Accounting Standards for Business Enterprises (“CASs”).

## 2 Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Evergrowing Bank in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants (“CICPA Code”), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

### **3 Other Information**

Management of Evergrowing Bank is responsible for the other information. The other information comprises all of the information included in 2021 annual report of Evergrowing Bank other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **4 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management of Evergrowing Bank is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing Evergrowing Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Evergrowing Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Evergrowing Bank's financial reporting process.



## **5 Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

## Evergrowing Bank Co., Limited 2021 Annual Report

PwC ZT Shen Zi (2022) No. 26181

(Page 4 of 4)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Evergrowing Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Zhong Tian LLP

Signing CPA

Shanghai, the People's Republic of China

Signing CPA

31 March 2022

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Yip Siu Foon, Linda

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Chen Wei

**CONSOLIDATED AND BANK BALANCE SHEETS  
AS AT 31 DECEMBER 2021**

(All amounts in RMB million unless otherwise stated)

		The Group		The Bank	
		31 December	31 December	31 December	31 December
		Note	2021	2020	2021
ASSETS					
Cash and deposits with the Central Bank	6	73,345	82,310	72,948	81,895
Deposits with banks and other financial institutions	7	9,948	15,472	9,917	15,718
Precious metals		27	1,597	27	1,597
Placements with banks and other financial institutions	8	29,149	8,316	29,149	8,316
Financial assets held under resale agreements	9	29,038	64,774	29,038	64,774
Interest receivable	10	N/A	5,851	N/A	5,535
Loans and advances to customers	11	629,683	532,549	625,296	528,295
Quasi-credit debt assets	12	95,417	79,534	60,014	40,471
Financial Investments	13	307,766	N/A	307,766	N/A
- at fair value through profit or loss		81,822	N/A	81,822	N/A
- at fair value through other comprehensive income		73,284	N/A	73,284	N/A
- at amortized cost		152,594	N/A	152,594	N/A
- designated at fair value through other comprehensive income		66	N/A	66	N/A
Financial assets through profit or loss					
Financial assets at fair value through profit or loss	14	N/A	20,632	N/A	20,632
Available-for-sale financial assets	15	N/A	150,574	N/A	150,574
Held-to-maturity investments	16	N/A	104,366	N/A	104,366
Investments classified as receivables	17	N/A	5,791	N/A	5,791
Investments in subsidiaries	18	-	-	246	246
Investments in consolidated structured entities	19	-	-	35,403	39,363
Investment properties		42	54	42	54
Fixed assets	20	7,900	7,998	7,833	7,951
Right-of-use assets	21	2,174	N/A	2,144	N/A
Intangible assets	22	1,187	439	1,178	430
Deferred tax assets	23	27,726	27,297	27,708	27,221
Other assets	24	3,857	6,601	3,847	6,551
Total assets		1,217,259	1,114,155	1,212,556	1,109,780

## Evergrowing Bank Co., Limited 2021 Annual Report

### CONSOLIDATED AND BANK BALANCE SHEETS (CONT'D)

AS AT 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

		The Group		The Bank	
		31 December	31 December	31 December	31 December
		Note	2021	2020	2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Borrowings from the Central Bank	26	65,163	22,580	64,772	22,100
Deposits from banks and other financial institutions	27	149,225	183,229	150,823	184,960
Placements from banks and other financial institutions	28	5,867	4,801	5,867	4,801
Financial liabilities at fair value through profit or loss	29	692	356	692	356
Financial assets sold under repurchase agreements	30	66,523	95,893	66,523	95,893
Deposits from customers	31	677,377	604,558	672,333	599,883
Accrued staff costs	32	3,752	3,727	3,708	3,691
Taxes payable	33	623	593	610	584
Interest payable	34	N/A	8,279	N/A	8,213
Provisions	35	2,534	2,397	2,534	2,397
Lease liabilities	36	1,994	N/A	1,967	N/A
Debt securities issued	37	121,167	75,985	121,167	75,985
Other liabilities	38	4,654	6,413	4,609	6,391
Total liabilities		1,099,571	1,008,811	1,095,605	1,005,254

## CONSOLIDATED AND BANK BALANCE SHEETS (CONT'D)

AS AT 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

	Note	The Group		The Bank	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONT'D)					
Equity					
Share capital	39	111,210	111,210	111,210	111,210
Other equity instruments	39	22,995	14,998	22,995	14,998
Capital reserve	39	11,090	11,199	11,199	11,199
Other comprehensive income	40	706	(507)	706	(507)
Surplus reserve	41	-	-	-	-
General reserve	42	11,955	11,951	11,889	11,889
Undistributed profits	43	(40,811)	(43,980)	(41,048)	(44,263)
Total equity attributable to shareholders of the Bank		117,145	104,871	116,951	104,526
Minority interests		543	473	-	-
Total equity		117,688	105,344	116,951	104,526
Total liabilities and equity		1,217,259	1,114,155	1,212,556	1,109,780

The accompanying notes form an integral part of these financial statements.

These financial statements were authorised for issue by the Bank's Board of Directors on 31 March 2022.

Chen Ying

Legal representative  
(Chairperson)

Yang Libin

Chief Financial Officer

Wang Xifeng

President

Bi Guoqi

Head of Budget and  
Finance Department

(company seal)

## Evergrowing Bank Co., Limited 2021 Annual Report

### CONSOLIDATED AND BANK INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
<b>Operating income</b>		23,879	21,028	23,677	20,836
Net interest income	44	17,659	15,649	17,453	15,448
Interest income		43,051	39,234	42,761	38,964
Interest expense		(25,392)	(23,585)	(25,308)	(23,516)
Net fee and commission income	45	2,837	2,115	2,837	2,114
Fee and commission income		3,094	2,306	3,094	2,304
Fee and commission expenses		(257)	(191)	(257)	(190)
Investment income	46	2,444	3,410	2,448	3,421
Including: Net loss on derecognition of financial assets at amortised cost		-	N/A	-	N/A
Net gains/(losses) on fair value changes	47	910	(271)	910	(271)
Foreign exchange gains		26	82	26	82
Other business income		10	11	10	11
Gains/(losses) on disposals of assets		(14)	23	(14)	22
Other income		7	9	7	9
<b>Operating expenses</b>		(17,626)	(17,145)	(17,398)	(16,754)
Taxes and surcharges		(401)	(352)	(399)	(350)
General and administrative expenses	48	(8,956)	(8,300)	(8,814)	(8,165)
Impairment losses on assets	49	N/A	(8,489)	N/A	(8,235)
Credit impairment losses	49	(8,127)	N/A	(7,832)	N/A
Impairment losses on other assets	49	(131)	N/A	(345)	N/A
Other business costs		(11)	(4)	(8)	(4)
<b>Operating profit</b>		6,253	3,883	6,279	4,082
Non-operating income		144	449	128	442
Non-operating expenses		(58)	199	(57)	201
<b>Profit before income tax</b>		6,339	4,531	6,350	4,725
Income tax expense	50	9	672	73	662
<b>Net profit</b>		6,348	5,203	6,423	5,387
Net profit attributable to shareholders of the Bank		6,381	5,310	6,423	5,387
Losses attributable to minority interests		(33)	(107)	-	-



## CONSOLIDATED AND BANK INCOME STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

		The Group		The Bank	
	Note	2021	2020	2021	2020
<b>Other comprehensive income</b>					
Other comprehensive income attributable to shareholders of the Bank, net of tax	40	(265)	(2,087)	(265)	(2,087)
Items that may be subsequently reclassified to profit or loss					
- Fair value changes on available-for-sales financial assets		N/A	(2,087)	N/A	(2,087)
- Fair value changes on financial assets at fair value through other comprehensive income		(143)	N/A	(143)	N/A
- Impairment allowance on financial assets at fair value through other comprehensive income		(122)	N/A	(122)	N/A
Attributable to minority interests		-	-	-	-
<b>Total comprehensive income for the year</b>		6,083	3,116	6,158	3,300
Total comprehensive income attributable to: Shareholders of the Bank		6,116	3,223	6,158	3,300
Minority interests		(33)	(107)	-	-

The accompanying notes form an integral part of these financial statements.

These financial statements were authorised for issue by the Bank's Board of Directors on 31 March 2022.

Chen Ying

Legal representative  
(Chairperson)

Yang Libin

Chief Financial Officer

Wang Xifeng

President

Bi Guoqi

Head of Budget and  
Finance Department

(company seal)

## Evergrowing Bank Co., Limited 2021 Annual Report

### CONSOLIDATED AND BANK CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
<b>Cash flows from operating activities:</b>					
Net increase in borrowings from the Central Bank		42,232	-	42,321	-
Net decrease in deposits with the Central Bank		1,084	1,911	1,039	1,904
Net decrease in deposits with banks and other financial institutions		-	1,573	602	274
Net decrease in financial assets held under resale agreements		-	596	-	596
Net decrease in investments classified as receivables		-	4,620	-	4,620
Net decrease in investments in consolidated structured entities		-	-	-	25,494
Net increase in deposits from banks and other financial institutions		-	27,606	-	28,300
Net decrease in financial assets at fair value through profit or loss		37,708	-	37,795	-
Net increase in financial liabilities at fair value through profit or loss		336	-	336	-
Net increase in financial assets sold under repurchase agreements		-	22,087	-	22,087
Net increase in deposits from customers		72,459	47,123	72,090	46,525
Net increase in placements from banks and other financial institutions		1,102	-	1,102	-
Cash received from interest, fee and commission		40,319	35,687	39,932	35,056
Cash received relating to asset transfer		-	8,957	-	8,957
Cash received relating to other operating activities		5,412	238	5,335	230
Sub-total of cash inflows		200,652	150,398	200,552	174,043
Net increase in placements with banks and other financial institutions		(16,079)	(8,147)	(16,079)	(8,147)
Net increase in quasi-credit investments		(23,684)	(16,039)	(18,320)	(40,890)
Net increase in investments in consolidated structured entities		-	-	(5,269)	-
Net increase in financial assets at fair value through profit or loss		-	(9,594)	-	(9,594)
Net increase in loans and advances to customers		(100,718)	(114,683)	(100,540)	(114,635)
Net decrease in borrowings from the Central Bank		-	(46,885)	-	(47,100)

**CONSOLIDATED AND BANK CASH FLOW STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB million unless otherwise stated)

		The Group		The Bank	
	Note	2021	2020	2021	2020
Net increase in deposits with banks and other financial institutions		(690)	-	-	-
Net decrease in deposits from banks and other financial institutions		(33,967)	-	(34,100)	-
Net decrease in placements from banks and other financial institutions		-	(160)	-	(160)
Net decrease in financial liabilities at fair value through profit or loss		-	(733)	-	(733)
Net decrease in financial assets sold under repurchase agreements		(29,309)	-	(29,309)	-
Cash paid for interest, fee and commission		(25,052)	(21,736)	(24,968)	(21,683)
Cash paid to and for employees		(5,144)	(3,844)	(5,059)	(3,767)
Payments of taxes and surcharges		(2,144)	(928)	(2,138)	(885)
Cash paid relating to other operating activities		(557)	(8,207)	(524)	(8,498)
Sub-total of cash outflows		(237,344)	(230,956)	(236,306)	(256,092)
Net cash flows from operating activities	51(1)	(36,692)	(80,558)	(35,754)	(82,049)
<b>Cash flows from investing activities:</b>					
Proceeds from sale and redemption of financial investments		1,001,364	354,811	1,001,364	354,811
Cash received from returns on investments		9,468	6,994	9,472	6,994
Cash received from disposals of fixed assets and other assets		99	94	92	94
Dividends received		-	-	-	12
Sub-total of cash inflows		1,010,931	361,899	1,010,928	361,911
Purchase of financial investments		(1,069,414)	(377,443)	(1,069,414)	(377,443)
Purchase of fixed assets and		(1,700)	(556)	(1,667)	(555)
Sub-total of cash outflows		(1,071,114)	(377,999)	(1,071,081)	(377,998)
Net cash flows used in investing activities		(60,183)	(16,100)	(60,153)	(16,087)
<b>Cash flows from financing activities:</b>					
Cash received from issuance of debt securities		225,474	192,571	225,474	192,571
Cash received from issuance of other equity instruments		7,997	14,998	7,997	14,998
Sub-total of cash inflows		233,471	207,569	233,471	207,569
Cash repayments of debt securities		(180,311)	(168,230)	(180,311)	(168,230)
Cash repayments of debt securities interest		-	(648)	-	(648)
Cash payments for distribution of dividends		(6)	(16)	-	-
Cash payments for principal and interest of lease liabilities		(513)	-	(539)	-

## Evergrowing Bank Co., Limited 2021 Annual Report

### CONSOLIDATED AND BANK CASH FLOW STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Cash paid relating to other financing activities		(743)	-	(743)	-
Sub-total of cash outflows		(181,573)	(168,894)	(181,593)	(168,878)
Net cash flows from financing activities		51,898	38,675	51,878	38,691
Effect of foreign exchange rate changes on cash and cash equivalents		(197)	(323)	(197)	(323)
Net (decrease)/increase in cash and cash equivalents		(45,174)	(58,306)	(44,226)	(59,768)
Add: Cash and cash equivalents at the beginning of the year		108,179	166,485	107,051	166,819
Cash and cash equivalents at the end of the year	51(2)	63,005	108,179	62,825	107,051

The accompanying notes form an integral part of these financial statements.

These financial statements were authorised for issue by the Bank's Board of Directors on 31 March 2022.

Chen Ying

Legal representative  
(Chairperson)

Yang Libin

Chief Financial Officer

Wang Xifeng

President

Bi Guoqi

Head of Budget and  
Finance Department

(company seal)

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

		Equity attributable to shareholders of the Group								
	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Minority interests	Total shareholders' equity
<b>Balance at 31 December 2020</b>		111,210	14,998	11,199	(507)	-	11,951	(43,980)	473	105,344
Changes in accounting policies	40	-	-	-	1,478	-	-	(2,465)	-	(987)
<b>Balance at 1 January 2021</b>		111,210	14,998	11,199	971	-	11,951	(46,445)	473	104,357
<b>Movements for the year</b>		-	7,997	(109)	(265)	-	4	5,634	70	13,331
Issuance of perpetual bonds	39	-	7,997	-	-	-	-	-	-	7,997
Capital injection in subsidiaries		-	-	(109)	-	-	-	-	109	-
Net profit		-	-	-	-	-	-	6,381	(33)	6,348
Other comprehensive income	40	-	-	-	(265)	-	-	-	-	(265)
Profit distribution										
Appropriation to general reserve	42	-	-	-	-	-	4	(4)	-	-
Distribution to other equity instruments holders	43	-	-	-	-	-	-	(743)	-	(743)
Dividend distribution to minority shareholders of subsidiaries		-	-	-	-	-	-	-	(6)	(6)
<b>Balance at 31 December 2021</b>		111,210	22,995	11,090	706	-	11,955	(40,811)	543	117,688

## Evergrowing Bank Co., Limited 2021 Annual Report

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

		Equity attributable to shareholders of the Group								Total shareholders' equity
	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Minority interests	
<b>Balance at 1 January 2020</b>		111,210	-	11,199	1,580	-	11,950	(49,289)	596	87,246
<b>Movements for the year</b>		-	14,998	-	(2,087)	-	1	5,309	(123)	18,098
Issuance of perpetual bonds	39	-	14,998	-	-	-	-	-	-	14,998
Net profit		-	-	-	-	-	-	5,310	(107)	5,203
Other comprehensive income	40	-	-	-	(2,087)	-	-	-	-	(2,087)
Profit distribution										
Appropriation to general reserve	42	-	-	-	-	-	1	(1)	-	-
Dividend distribution to minority shareholders of subsidiaries	43	-	-	-	-	-	-	-	(16)	(16)
<b>Balance at 31 December 2020</b>		111,210	14,998	11,199	(507)	-	11,951	(43,980)	473	105,344

The accompanying notes form an integral part of these financial statements.

These financial statements were authorised for issue by the Bank's Board of Directors on 31 March 2022.

Chen Ying

Legal representative  
(Chairperson)

Yang Libin

Chief Financial Officer

Wang Xifeng

President

Bi Guoqi

Head of Budget and  
Finance Department

(company seal)



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Total shareholders' equity
<b>Balance at 31 December 2020</b>		111,210	14,998	11,199	(507)	-	11,889	(44,263)	104,526
Changes in accounting policies	40	-	-	-	1,478	-	-	(2,465)	(987)
<b>Balance at 1 January 2021</b>		111,210	14,998	11,199	971	-	11,889	(46,728)	103,539
<b>Movements for the year</b>		-	7,997	-	(265)	-	-	5,680	13,412
Issuance of perpetual bonds	39	-	7,997	-	-	-	-	-	7,997
Net profit		-	-	-	-	-	-	6,423	6,423
Other comprehensive income	40	-	-	-	(265)	-	-	-	(265)
Profit distribution									
Distribution to other equity instruments holders		-	-	-	-	-	-	(743)	(743)
<b>Balance at 31 December 2021</b>		111,210	22,995	11,199	706	-	11,889	(41,048)	116,951

## Evergrowing Bank Co., Limited 2021 Annual Report

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Total shareholders' equity
<b>Balance at 1 January 2020</b>		111,210	-	11,199	1,580	-	11,889	(49,650)	86,228
<b>Movements for the year</b>		-	14,998	-	(2,087)	-	-	5,387	18,298
Issuance of perpetual bonds	39	-	14,998	-	-	-	-	-	14,998
Net profit		-	-	-	-	-	-	5,387	5,387
Other comprehensive income	40	-	-	-	(2,087)	-	-	-	(2,087)
<b>Balance at 31 December 2020</b>		111,210	14,998	11,199	(507)	-	11,889	(44,263)	104,526

The accompanying notes form an integral part of these financial statements.

These financial statements were authorised for issue by the Bank's Board of Directors on 31 March 2022.

Chen Ying

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(Chairperson)

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Head of Budget and  
Finance Department

(company seal)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB million unless otherwise stated)

## 1 General information

Evergrowing Bank Co., Limited (hereinafter “the Bank”), formerly known as Yantai Housing Savings Bank, was incorporated in 1987 with the approval from PBOC and Yantai Municipal People’s Government. Upon approval of the *Approval of the Restructuring of Yantai Housing Savings Bank into a Joint-Stock Commercial Bank* (Yin Fu [2002] No. 212) and the *Approval on Change of the Name and Amendment of the Articles of Association of Yantai Housing Savings Bank* (Yin Fu [2003] No. 31) issued by PBOC, Yantai Housing Savings Bank was restructured into a joint-stock commercial bank as a whole and renamed as Evergrowing Bank Co., Limited.

On 8 October 2019, China Banking and Insurance Regulatory Commission (the “CBIRC”, formerly known as the “CBRC”) approved that the Bank increased its registered capital from RMB 1.690 billion to RMB 11.210 billion by the *Approval of Changing Registered Capital of Evergrowing Bank*. (Yin Bao Jian Fu [2019] No. 899).

On 24 December 2019, the CBIRC approved the Bank’s proposal for non-public offering of 100 billion ordinary shares by the *Approval on the Proposal of Non-Public Offering of Ordinary Shares of Evergrowing Bank and the Qualification of Relevant Shareholders* (Yin Bao Jian Fu [2019] No. 1171). On 30 December 2019, 10 investors including Central Huijin Investment Ltd. (“Central Huijin”), Shandong Financial Asset Management Co., Ltd. (“Shandong Asset Management”) and United Overseas Bank Limited (“United Overseas Bank”) completed the capital injection, increasing the Bank’s share capital to RMB 111.210 billion. Among them, Central Huijin held 53.95% of the total share capital in the Bank after capital injection and became the controlling shareholder of the Bank. The Bank accomplished the change in registered capital registration on 30 March 2020.

The Bank holds the financial license issued with the code of B0016H137060001, and the business license issued by Shandong Administration for Market Regulation with the unified social credit code of 913706002656300753.

The Bank operates in the financial sector and is principally engaged in authorised commercial banking business. The scope of business includes absorption of RMB deposits; provision of short-term, middle-term and long-term loans; settlement and discount of notes, issuance of financial bonds; issuance and redemption agency and underwriting of government bonds; purchase and sale of government bonds; interbank lending and borrowings; provision of letter of credit service and guarantee; collection and payment agency; provision of safe box; foreign currency deposits; foreign exchange loans; foreign exchange remittance; foreign currency exchange; international settlement; interbank foreign exchange lending and borrowings; acceptance and discount of notes in foreign currencies; foreign exchange loans; foreign currency guarantees; foreign exchange settlement and sale; issuance and issuance agency of foreign currency securities other than stocks; purchase, sale and agency of foreign currency securities other than stocks; proprietary foreign exchange trading; customer-driven foreign exchange trading; credit investigation, consultation and witness services.

# Evergrowing Bank Co., Limited 2021 Annual Report

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

### 1 General information (Cont'd)

Subsidiaries of the Bank (all rural banks) operate in the financial sector and are principally engaged in authorised commercial activities. The scope of business includes absorption of public deposits; provision of short-term, middle-term and long-term loans; domestic settlement; acceptance and discount of notes; interbank lending and borrowings; provision of bank card services; issuance and redemption agency and underwriting of government bonds; collection, payment and insurance agency and other businesses approved by the CBIRC.

The Bank and its subsidiaries are collectively referred to as the Group.

These financial statements were authorised for issue by the Bank's Board of Directors on 31 March 2022.

### 2 Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, the specific accounting standards and other relevant regulations issued by the Ministry of Finance of the People's Republic of China ("MOF") on 15 February 2006 and in subsequent periods (hereafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CASS").

The financial statements are prepared on a going concern basis.

#### (1) Accounting period

The Group adopts the calendar year as its accounting year, which starts on 1 January and ends on 31 December.

#### (2) Recording currency and presentation currency

The Group's recording currency is Renminbi (RMB). The financial statements are presented in RMB.

### 3 Statement of compliance

The financial statements of the Group for the year ended 31 December 2021 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Group's and the Bank's financial position as at 31 December 2021 and their financial performance, cash flows and other information for the year then ended.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates

### (1) Consolidated financial statements

The scope of consolidation is determined on the basis of control. The consolidated financial statements comprise the financial statements of the Bank and all of its subsidiaries (including the consolidated structured entities).

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' shareholders' equity and the portion of subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to the Bank are recognised as minority interests, net profits and losses attributed to minority interests and total comprehensive incomes attributed to minority interests, and presented separately in the consolidated financial statements under shareholders' equity, net profit and total comprehensive income respectively. When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is allocated against the balance of minority interests. A structured entity refers to an entity of which, when controller is determined, the voting rights or similar rights do not compose a decisive factor affecting the design of entity structure. Relevant activities are generally directed by contractual or other arrangements.

The Group reassesses whether it controls the investee if changes in relevant facts and circumstances result in changes in one or more of the elements of control.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (2) Foreign currency transactions

Foreign currency transactions are translated into recording currency using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. For monetary items denominated in foreign currencies and classified as financial assets at fair value through other comprehensive income, difference on translation of foreign currency is broken down into translation differences arising from changes in amortised cost and translation differences arising from changes in other carrying amounts of those items. Translation differences arising from changes in amortised cost are recognised in profit or loss for the current period. Translation differences arising from changes in other carrying amounts of those items are recognised in other comprehensive income. Translation differences arising from other monetary assets and liabilities are recognised in profit or loss for the current period.

Non-monetary items denominated in foreign currencies that are measured at historical costs are translated into recording currency and measured using spot exchange rates at the dates of the transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the spot exchange rate on the date the fair value is determined. For financial assets at fair value through other comprehensive income, difference between the translated recording currency amount and the original recording currency amount is recognised in other comprehensive income. For financial assets and financial liabilities at fair value through profit or loss, difference between the translated recording currency amount and the original recording currency amount is recognised in profit or loss.

The effect of exchange rate changes on cash and cash equivalents is presented separately in the cash flow statement.

### (3) Precious metals

Precious metals mainly comprise of gold and other precious metals. Precious metals acquired by the Group for leasing purposes are initially measured at fair value and subsequently measured at fair value at the balance sheet date, changes on which are included in profit or loss for the current period.



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (4) Investments in subsidiaries

Investments in subsidiaries comprise the Bank's investments in subsidiaries in its subsidiaries. Investments in subsidiaries are initially measured at initial investment cost at the time of acquisition. For investments in subsidiaries acquired not through a business combination but by payment in cash, the initial investment cost shall be the purchase price actually paid.

Investments in subsidiaries are presented in the Bank's financial statements using the cost method, and are adjusted to the equity method when preparing the consolidated financial statements. Investments in subsidiaries accounted for using the cost method are measured at initial investment cost.

The investments in subsidiaries at the end of the period are stated in the balance sheet at cost less impairment losses.

### (5) Fixed assets

Fixed assets are tangible assets that are held by the Group for operational management, and have useful lives of more than one accounting year.

Fixed assets are initially measured at cost. The cost of purchased fixed assets comprises the purchase price, related taxes, and any attributable expenditure before the assets are ready for their intended use. The cost of self-constructed fixed assets includes the cost of materials, direct labour, and other costs necessary to bring the fixed assets to their intended use.

Construction in progress refers to buildings, electronic equipment, etc., which is transferred to fixed assets when it is ready for its intended use. Construction in progress is not depreciated.

They are presented at cost net of the accumulated depreciation and impairment losses after initial recognition.

Major components of a fixed asset with different useful lives are accounted for separately.

Subsequent expenditures incurred for a fixed asset and expenses to replace components thereof are charged into costs of fixed assets when recognition criteria for fixed assets are met, deducting the carrying amount of components replaced. The costs of the routine maintenance of fixed assets are recognised in profit or loss for the current period as incurred.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (5) Fixed assets (Cont'd)

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated net residual values over their useful lives, and are included in profit or loss for the current period. Accumulated amount of accrued provision for impairment of fixed assets will be deducted for those already being provided for.

Fixed assets are depreciated using the straight-line method. The useful lives, the estimated net residual values and the annual depreciation rates of fixed assets are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	20 years	5%	4.75%
Office and electronic equipment and others	3 to 5 years	5%	19.00%-31.67%
Motor vehicles	5 years	5%	19.00%

The estimated useful lives, the estimated net residual values of fixed assets and the depreciation method applied to the fixed assets are reviewed by the Group at each year-end.

### (6) Intangible assets

Intangible assets refer to the identifiable non-monetary intangible assets owned or controlled by the Group.

Intangible assets are initially measured at cost. Subsequent expenditures incurred in relation to an intangible asset are included in the cost of the intangible asset when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, expenditures on other items of intangible assets are recognised in profit or loss for the current period in which they are incurred.

The land use rights are generally accounted for as intangible assets. Relevant expenditures on land use rights and construction cost of the self-constructed buildings are accounted for as the intangible assets and fixed assets. For purchased buildings, the costs shall be allocated between the land use rights and the buildings; where the costs cannot be reasonably allocated, all of the costs are recognised as fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**  
(All amounts in RMB million unless otherwise stated)

### **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

#### **(6) Intangible assets (Cont'd)**

For an intangible asset, when it is available for use, its original cost less the estimated net residual value and any accumulated impairment losses is amortised over its estimated remaining useful life using the straight-line method. Intangible assets of the Group mainly include land use rights, whose useful lives are usually 20 years. Other intangible assets mainly refer to software, whose useful lives are usually 3 to 10 years.

For an intangible asset with a finite useful life, the useful life and amortisation method are reviewed, and are accounted for as a change in accounting estimates in case of any change.

#### **(7) Investment properties**

Investment property is a property held to earn rental or for capital appreciation, or both.

Investment properties are initially measured at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured. Other subsequent expenditures are recognised in profit or loss for the current period which they are incurred.

Investment properties are subsequently measured using the cost model and are depreciated or amortised based on the same policy as buildings or land use rights.

The net amount of proceeds from sale, transfer, retirement or damage of an investment property after its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (8) Foreclosed assets

Upon recovery of impaired loans and advances, the Group may recover the ownership of the collateral through legal procedures or voluntary delivery of the ownership by the borrower. Foreclosed assets are recognised when the Group intends to realise assets as required and no longer requires the borrower to repay the loans. Financial foreclosed assets are presented as the appropriate financial assets in the balance sheet based on their business model and the contractual cash flow characteristics, while non-financial foreclosed assets are presented as “other assets”.

Financial foreclosed assets are recorded at fair value when foreclosed assets are used to compensate for the losses of loans and advances to customers and interest receivable. Related taxes and advanced litigation fees payable for acquiring the foreclosed assets and related transaction costs such as outstanding taxes paid for acquiring the foreclosed assets are recognised in profit or loss for the current period or initial direct costs respectively, depending on the category of the financial assets. Non-financial foreclosed assets are initially recognised as cost at the fair value of the debts disclaimed. Related taxes and advanced litigation fees payable for acquiring the foreclosed assets and related transaction costs such as outstanding taxes paid for acquiring the foreclosed assets are recognised in the cost of foreclosed assets.

At the balance sheet date, the non-financial foreclosed assets are measured at the lower of their carrying amount and the recoverable amount. When the recoverable amount is lower than the carrying amount, a provision for impairment of foreclosed assets is made and recognised in cost net of provision for impairment in the balance sheet. Impairment losses are recognised in the income statement.

Acquired foreclosed assets shall be disposed of and realised, and no unauthorised use is allowed. Foreclosed assets transferred to self-use for business purposes are regarded as newly purchased fixed assets.

When a foreclosed asset is disposed, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss for the current period.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (9) Allowance for impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying amounts of its investments in subsidiaries, fixed assets, construction in progress and intangible assets, investment properties, right-of-use assets and other assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recoverable amount of an asset is estimated on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. The recoverable amount of an asset is the higher of the fair value less costs to sell and the present value of the future cash flows expected to be derived from it. Disposal costs represent legal cost, taxes and handling fee related to asset disposal, and direct costs incurred to prepare the assets to be ready for sale. The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate discount rate.

Once the above asset impairment loss is recognised, it will not be reversed in the subsequent periods.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB million unless otherwise stated)

**4 Summary of significant accounting policies and accounting estimates (Cont'd)**

**(10) Employee benefits**

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits and post-employment benefits.

***(i) Short-term employee benefits***

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs and short-term paid absences, etc. The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

***(ii) Post-employment benefits***

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions. During the reporting period, the Group's post-employment benefits mainly include the premiums or contributions on basic pensions and unemployment insurance, as well as enterprise annuity, all of which belong to defined contribution plans.

***Basic pensions***

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

***Enterprise annuity***

In addition to the basic pensions, the Bank's employees also participate in the Annuity Scheme of Evergrowing Bank Co., Limited (the "Annuity Scheme") set up by the Bank in accordance with the state's enterprise annuity policy. Annuity contributions are made in proportion to the employees' gross wages and are expensed in profit or loss for the current period.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**  
(All amounts in RMB million unless otherwise stated)

### **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

#### **(11) Government grants**

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, but not include capital contributions in the Group from the government as an investor.

Government grants are recognised when the grants can be received and the Group can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at fair value.

Government grants related to assets are grants that are acquired by the Group and used for construction or forming long-term assets in other ways. Government grants related to income refers to government grants other than those related to assets. Government grants related to assets are either deducted against the carrying amount of the assets, or recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income that compensate the future expenses or losses are recorded as deferred income and recognised in profit or loss, or deducted against related expenses or losses in reporting the related profit or loss; government grants related to income that compensate the incurred expenses or losses are recognised in profit or loss, or deducted against related costs directly in current period. The Group applies the presentation method consistently to the similar government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit and presented as other income, otherwise, they are recorded in non-operating income or expenses.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (12) Provisions and contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be an unrecognised present obligation that arises from past events where it is not probable that an outflow of economic benefits is required to settle the obligation or the amount of the obligation cannot be measured reliably.

The obligation pertinent to contingencies is recognised as provisions when the following conditions are satisfied concurrently: (1) the obligation is a present obligation; (2) it is probable that an outflow of economic benefits will be required to settle the obligation; (3) the amount of the obligation can be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and 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.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognised does not exceed the carrying amount of the provision.

### (13) Fiduciary activities

The Group usually holds and manages assets for customers in the fiduciary business as a trustee. The Group receives fees in return for its services provided under the custody agreements and does not bear the risks and benefits related to assets under custody. The assets involved in the custody business do not belong to the Bank, therefore, these assets are not included in the balance sheet of the Group.

The Group also deals with entrusted loans. Under the entrusted loan contract, the Group, as an intermediary, grants loans to borrowers based on the target borrowers, purpose, amount, interest rate and repayment plan specified by the client. The Group is responsible for arranging and collecting entrusted loans and charging fees for services provided, but does not bear the risks and benefits arising from entrusted loans. Entrusted loans and entrusted loan funds are not recognised in the balance sheet of the Group.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (14) Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value on the date when the guarantee becomes effective. Upon initial recognition, the amount of the liability is stated at the higher of the amortised amount of the initially recognised amount less the amortisation of guarantee fees and the best estimate of the provision for ECL required to fulfil the Group's guarantee obligations. The increase in liabilities related to the contract is included in the consolidated income statement for the current year.

The loan commitments provided by the Group are assessed for impairment on the basis of ECL. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for an instrument that includes both loans and unused commitments, and the expected credit losses of loans cannot be distinguished from that of unused commitments by the Group, the loss provisions for both loans and unused commitments should be presented in the loss provisions for loans. However, if the total loss provisions surpass the book balance of the loans, the loss provisions should be presented in the provisions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB million unless otherwise stated)

**4 Summary of significant accounting policies and accounting estimates (Cont'd)**

**(15) Revenue recognition**

The Group recognises revenue at the amount of the consideration which the Group expects to be entitled to receive when the customer obtains control over relevant goods or services and other recognition criteria for the following different types of revenues are met.

**(i) Interest income**

Interest income of financial instruments is recognised in profit or loss for the current period using the effective interest method.

Accounting policies related to interest income on financial assets at amortised costs and financial assets at fair value through other comprehensive income are set out in Note 4(21) Financial Instruments (i)(b).

**(ii) Fee and commission income**

Fee and commission income for the Group's performance of contract obligations in a contract is recognised when a customer is in control of the underlying services (at a point in time or over time).

For fee and commission income recognised at a point in time, revenue is recognised when a customer obtains control over relevant services, mainly including insurance agency, merchant acquiring, clearing and settlement, and bond underwriting income, etc. For fee and commission income recognised over time, revenue is recognised based on the progress of the obligation fulfilment within that period of time, mainly including consulting and advisory, and custodian income, etc.

**(iii) Dividend income**

Dividend income is recognised in profit or loss for the current period when the right to receive dividend payment is established.

**(iv) Rental income from operating leases**

Accounting policies related to rental income from operating leases are set out in Note 4(21) Leases (ii).

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (16) Income taxes

Income tax expenses comprise current income tax and deferred income tax.

Current and deferred tax expenses or income are recognised in profit or loss for the current period, except when they arise from transactions or events that are recognised in other comprehensive income or directly recognised in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity.

#### (i) *Current income tax*

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) under tax laws. Taxable income, based on which the current income tax expenses are calculated, is calculated based on the adjustment to the current year pre-tax accounting profit according to the applicable tax laws.

#### (ii) *Deferred income tax*

For temporary differences between the carrying amount of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

For deductible losses and tax credits that can be carried forward to subsequent years, the Group shall recognise relevant deferred tax assets to the extent that it is probable that taxable income will be available to the Group in the future against which the deductible losses and tax credits can be utilised.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled as required in the tax law.

The carrying amount of deferred income tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that the temporary differences will be reversed in the foreseeable future and sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB million unless otherwise stated)

**4 Summary of significant accounting policies and accounting estimates (Cont'd)**

**(16) Income taxes (Cont'd)**

**(iii) Offsetting income taxes**

Tax assets and liabilities of current period are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

When the Group owns the legal right to settle the current income tax assets and current income liabilities and deferred income tax assets at a net figure and deferred income tax assets and deferred income tax liabilities are related to the income tax levied on the same tax payer by the same tax collection authority or related to the income tax levied on different tax payers but the tax payer involved intends to settle the current income tax assets and liabilities or acquiring the assets at the same time of paying off liabilities during the recovery of each important deferred income tax asset and liability in the future, the Group's deferred income assets and liabilities are presented at the net value after the offset.

**(17) Cash equivalents**

Cash equivalents refer to short-term and highly liquid investments. Such investments are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value, which are due within three months upon acquisition.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

### 4 Summary of significant accounting policies and accounting estimates (Cont'd)

#### (18) Related parties

If the Group has the power to control and jointly control or exercises significant influence over another party; or another party has the power to control and jointly control or exercise significant influence over the Group; or the Group and another party are jointly controlled by the same party, the Group and relevant parties are regarded as related parties. Related parties may be individuals or enterprises. Enterprises with which the Group is under common control only from the State and that have no other related-party relationships are not regarded as related parties of the Group. Related parties of the Group include but are not limited to:

- (a) The parent company of the Bank;
- (b) Subsidiaries of the Bank;
- (c) Other enterprises controlled by the same parent company together with the Bank;
- (d) Investors who jointly control the Group;
- (e) Investors who exercise significant influence on the Group;
- (f) Associate of the Group;
- (g) Joint venture of the Group;
- (h) Individuals who are main investors of the Group and close family members of such individuals (Individuals who are main investors refer to individual investors who have power to control or jointly control over an entity or who have significant influence on an entity);
- (i) Key management personnel and close family members of such individuals (Key management personnel refer to the personnel who have the power and are responsible to plan, direct and control the activities of an enterprise, including all directors);
- (j) Key management personnel of the Bank's parent company and close family members of such personnel;
- (k) Other enterprises that are controlled or jointly controlled by major individual investors, key management personnel of the Group, or close family members of such individuals.

The post-employment benefit plan for the benefit of employees of either the Group or any entity related to the Group.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (19) Operating segments

The Group identifies operating segments based on the internal reporting. Main business decision makers allocate resources to and assess performance of segments based on regular review of the internal reporting. The Group identifies reportable segments based on operating segments, taking into account various factors such as products and services, geographical areas, regulatory environment, etc., in management's organisational management, aggregates the operating segments that meet the criteria, and separately discloses the operating segments within the quantitative limits.

The Group measures items in each operating segment primarily for allowing major business decision makers allocate resources to and assess performance of operating segments. The Group's segment information is prepared by adopting accounting policies consistent with those adopted in the preparation of the financial statements of the Group.

### (20) Significant accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions based on historical experience and other factors that are reasonable in the circumstances. Such judgements, estimates and assumptions will affect application of accounting policies and the amount presented for assets, liabilities and expenses. Actual results may differ from these estimates.

The key assumptions involved in such estimates and uncertainties are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognised in the period when the change occurs and in any subsequent period in which the impact will incur.

**NOTES TO THE FINANCIAL STATEMENTS  
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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(20) Significant accounting estimates and judgements (Cont'd)**

#### ***(i) Classification of financial assets***

Significant judgements made by the Group in the classification of financial assets include analysis on business models and contractual cash flow characteristics.

The Group determines the business model for financial asset management at the level of different groups, and factors to be considered include the methods of evaluation on financial asset performance and reporting of financial asset performance to key management personnel, risks affecting financial asset performance and management methods for such risks, the ways in which related business management personnel are remunerated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in timing or amount of the principal during the duration due to reasons such as early repayment; whether interest only include time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the amount of prepayment only reflects the principal outstanding and the interest based on the principal outstanding, as well as the reasonable compensation due to the early termination of the contract.

#### ***(ii) Measurement of ECL***

For financial assets measured at amortised cost and those at fair value through other comprehensive income, complex models and significant assumptions are used in measuring the ECL of such assets. These models and assumptions involve future macro-economic condition and the credit behaviours of the borrowers (for example, possibility of default by customers and losses therefrom). Explanation on the parameters, assumptions and valuation techniques used in measuring ECL is further detailed in Note 57(1).

It requires a lot of significant judgements to measure ECL under relevant accounting standards, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Identifying the forward-looking information and weight required in measuring ECL for different types of products; and
- Establishing groups of similar financial assets for the purposes of measuring ECL, with items that have similar credit risk characteristics classified into a group.

Details for the above judgements and estimates are set out in Note 57(1) Credit risk.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (20) Significant accounting estimates and judgements (Cont'd)

#### *(iii) Fair value of financial instruments*

The fair value of a financial instrument that is not traded in an active market is determined by valuation techniques, which include the discounted cash flow model and other valuation models. Assumptions and inputs used in valuation techniques include risk-free interest rates, credit spreads, foreign currency exchange rates, etc. Where the discounted cash flow model is used, estimated cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on observable market data at each balance sheet date. When observable market data is not available, the management will make estimate of significant unobservable information included in the valuation method. Changes in assumptions will affect the fair value of financial instruments.

#### *(iv) Determination of fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The quoted prices in an active market refer to those that are readily and orderly available from an exchange, industry group, pricing service agency, which represent the prices for transactions actually occurring on the market on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread, significant increase in the bid-offer spread or there are few recent transactions. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. Valuation techniques include using prices of recent orderly transactions by market participants, reference to the current fair value of another financial instrument that is substantially the same with this instrument, discounted cash flow model, option pricing model, others commonly used by market participants, etc.

In valuation, the Group adopts valuation techniques applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants. These valuation techniques include the use of observable and/or unobservable inputs, and give priority to the use of relevant observable inputs.

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### **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

#### **(20) Significant accounting estimates and judgements (Cont'd)**

##### ***(v) Classification, recognition and measurement of financial liabilities***

Financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities at initial recognition. In the case of financial liabilities at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss for the current period. For other financial liabilities, the related transaction costs are included in their initially recognised amounts.

##### **Financial liabilities at fair value through profit or loss**

A financial liability is classified as financial liabilities held for trading at initial recognition when any of the below criteria is met: (1) the purpose of undertaking the financial liabilities is mainly for repurchase or repurchase in the short term; (2) the financial liability is a component of the identifiable financial instrument group under centralised management and there's objective evidence that the Group recently gained profit in a short term through management of the group; or (3) the financial liability belongs to derivative financial instruments. However, derivative financial instruments which are designated and belong to effective hedging instruments or those under financial guarantee contracts are out of the range.

The conditions for a financial liability to be designated as a financial liability at fair value through profit or loss at initial recognition are the same as those for a financial asset designated as a financial asset at fair value through profit or loss at initial recognition if one of the following conditions is met.

Financial liabilities at fair value through profit or loss are subsequently measured at fair value. The gains or losses arising from changes in fair value, together with interest expenses relating to such financial liabilities shall be recognised in profit or loss for the current period.

##### **Other financial liabilities**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period.



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (20) Significant accounting estimates and judgements (Cont'd)

#### *(vi) Derecognition of financial liabilities*

A financial liability or obligation is derecognised or partly derecognised when the underlying present obligation is fulfilled, cancelled or expired or partly fulfilled, cancelled or expired. When the Group (the borrower) and an existing lender agree to replace the original financial liability with a new financial liability with substantially different terms, the original financial liability is derecognised and the new financial liability is recognised.

The difference between the carrying amount of the financial liability derecognised and the consideration paid by the Group (including the transferred non-cash assets and the arisen new financial liabilities) is recognised in profit or loss for the current period.

#### *(vii) Equity instruments*

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The perpetual bonds issued by the Group are classified as equity instruments, as the perpetual bonds include no contractual obligation to deliver cash or another financial asset to other parties or to exchange financial assets or liabilities with other parties under conditions that are potentially unfavourable to the Group, and the perpetual bonds will not or may not be settled with the Group's own equity instruments.

#### *(viii) Control of structured entities*

When acting as the asset manager or an investor of a structured entity, the Group is required to make significant judgement on whether the Group has control over the structure entity and whether it should be consolidated. The Group assesses the contractual rights and obligations under the transaction structure and the power over the structured entity, analyses and tests the variable returns of the structured entity, including but not limited to commission income and asset management fees earned, retention of residual income, and, if any, liquidity and other support provided to the structured entities; In addition, judgements are made as to whether the Group is acting as a principal or an agent in structured entity transactions, including an analysis and assessment of the decision making scope over the structural entities, salary levels from asset management services, exposure to variability of returns from its involvement with structured entities, and the substantial rights held by other parties.



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### **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

#### **(20) Significant accounting estimates and judgements (Cont'd)**

##### ***(ix) Income taxes and deferred income taxes***

The determination of income taxes involves judgement of future tax treatment of certain transactions. There are some transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences. Deferred tax assets are recognised only when it is probable that sufficient taxable income will be available and can be used to offset temporary differences. Therefore, the management is required to make judgements to obtain the probability of future taxable income. The Group judges the deferred tax on a continuous basis. If estimate shows that future taxable income is likely to be obtained, corresponding deferred tax assets are recognised.

A deferred tax asset is recognised for the carry forward of unused deductible losses to the extent that it is probable that future taxable income will be available against which the deductible losses can be utilised. Future taxable income includes taxable income that can be achieved through normal operations and the increase in taxable income due to the reversal of taxable temporary differences arising from previous period in future period. The Group needs to apply estimates and judgements in determining the timing and amount of future taxable income. If there is any difference between the actual and the estimates, adjustment may be made to the carrying amount of deferred tax assets.

##### ***(x) Offsetting***

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Group has a legal right to offset the recognised amounts and the legal right is currently enforceable, and the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (20) Significant accounting estimates and judgements (Cont'd)

#### *(xi) Financial assets held under resale agreements and financial assets sold under repurchase agreements*

Financial assets held under resale agreements refer to funds financed by the Group through acquiring financial assets which will be resold at a predetermined price in the future date under resale agreements. Financial assets sold under repurchase agreements refer to funds raised by the Group through selling financial assets that will be repurchased at a predetermined price in the future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under the resale and repurchase agreements in the balance sheet. Assets held under resale agreements are not recognised. Assets sold under repurchase agreements continue to be recognised in the balance sheet.

The difference between the sale and repurchase consideration, and that between the purchase and resale consideration, are amortised over the period of the respective transaction using the effective interest method and are included in interest income and interest expense respectively.

### (21) Changes in significant accounting policies

On 1 January 2021, the Group initially adopted the revised CAS 22 - *Recognition and Measurement of Financial Instruments*, CAS 23 - *Transfer of Financial Assets*, CAS 24 - *Hedge Accounting* and CAS 37 *Presentation of Financial Instruments* (hereinafter referred to as “new financial instruments standards”) issued by the Ministry of Finance in March 2017. The adoption of the standards results in changes in accounting policies and the adjustment to relevant amounts has already been recognised in the financial statements. The Group did not adopt the new financial instruments standards in advance in previous periods.

The implementation of new financial instruments standards also leads to changes in recognition, classification and measurement of the Group’s financial assets and liabilities as well as related accounting policies for impairment of financial assets.

On 1 January 2021, the Group initially adopted the revised CAS 21 - *Revenue* issued by the Ministry of Finance in December 2018. The adoption of the standards results in changes in accounting policies and the adjustment to relevant amounts has already been recognised in the financial statements.

The Group adopted the revised CAS 14 - *Revenue* (hereinafter “new revenue standard”) issued by the Ministry of Finance in 2017. The financial statements for the year ended 31 December 2021 are prepared in accordance with the above standard. The adoption of the above standard has no material impact on the Group’s financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

### 4 Summary of significant accounting policies and accounting estimates (Cont'd)

#### (21) Changes in significant accounting policies (Cont'd)

The specific accounting policies applicable to the new financial instruments standards in the current period are as follows:

##### Financial instruments

A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. All purchases or sale of financial assets in regular ways are recognised on the trade date. Trading date is the date that the Group is committed to purchasing or selling a financial asset.

*(i) The specific accounting policies applicable to the new financial instruments standards in the current period*

##### *(a) Initial recognition and classification of financial assets*

Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, the Group classifies financial assets as follows:

- Financial assets at fair value through profit or loss;
- Financial assets at fair value through other comprehensive income; or
- Financial assets at amortised cost.

A business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the business model determines whether cash flows of the financial assets managed by the Group will result from collecting contractual cash flows, selling financial assets or both. In determining the business model of a group of financial assets, the Group shall consider the following factors:

How cash flows of the group of assets were collected in the past, how the performance of the group of assets is evaluated and reported to key management personnel, how the risks are evaluated and managed, and how business management personnel are remunerated.

Contractual cash flow characteristics of a financial asset refer to those cash flow attributes agreed in a financial assets contract which reflect the economic characteristics of the financial asset. That is, contractual cash flows of the financial asset generated on a specific date are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial assets at initial recognition and may change over the lifetime of the financial asset due to prepayments and other causes. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(21) Changes in significant accounting policies (Cont'd)**

#### **Financial instruments (Cont'd)**

*(i) The specific accounting policies applicable to the new financial instruments standards in the current period (Cont'd)*

#### *(a) Initial recognition and classification of financial assets (Cont'd)*

Financial assets containing embedded derivatives shall be analysed as a whole when determining whether contractual cash flows are solely payments of principal and interest.

The Group's classification requirements of debt instruments and equity instruments are described as below:

#### **Debt instruments**

The debt instruments refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer. The classification and subsequent measurement of a debt instrument depend on: (i) the Group's business model for managing the assets; and (ii) the contractual cash flow characteristics of the assets.

In considering the above factors, the Group classifies its debt instruments into the following three measurement categories:

**Measured at amortised cost:** If the objective for managing the financial assets is to collect the contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, and the financial assets are not designated as at fair value through profit or loss, the financial assets are measured at amortised cost, and are presented as financial assets at amortized cost, cash and deposits with the Central Bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, quasi-credit debt assets and investments in consolidated structured entities.

**Measured at fair value through other comprehensive income:** If the objective of the business model is to hold the financial assets to both collect the contractual cash flows and sell the financial assets, and the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial assets are not designated as at fair value through profit or loss, the financial assets are measured at fair value through other comprehensive income, and are presented as financial assets at fair value through other comprehensive income and loans and advances to customers.

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### 4 Summary of significant accounting policies and accounting estimates (Cont'd)

#### (21) Changes in significant accounting policies (Cont'd)

##### Financial instruments (Cont'd)

*(i) The specific accounting policies applicable to the new financial instruments standards in the current period (Cont'd)*

##### *(a) Initial recognition and classification of financial assets (Cont'd)*

Measured at fair value through profit or loss: The financial assets that do not meet the criteria for measurement at amortised cost or fair value through other comprehensive income are at fair value through profit or loss, and are presented as financial assets at fair value through profit or loss.

At initial recognition, the financial assets are designated as at fair value through profit or loss if an accounting mismatch can be eliminated or significantly reduced. Once the designation is made, it cannot be revoked.

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. A financial instrument shall be classified as equity instrument if the following conditions are met: (i) the financial instrument does not include delivery of cash or other financial assets to other parties or contractual obligations of exchanging financial assets or financial liabilities with other parties in potential adverse conditions; and (ii) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Investments in equity instruments of the Group are measured at fair value through profit or loss, except for those investments for which management has made irrevocable designation as at fair value through other comprehensive income. The Group's policy for the above-mentioned designation is to designate investments in equity instrument not held for trading as at fair value through other comprehensive income, which are presented as investments in other equity instruments. After the designation, changes in fair value are recognised in other comprehensive income and should not be subsequently reclassified to profit or loss (even when they are disposed). Dividend income as return on investments is recognised and included in profit or loss for the current period when the Group's right to receive payment of the dividend is established.



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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(21) Changes in significant accounting policies (Cont'd)**

#### **Financial instruments (Cont'd)**

*(i) The specific accounting policies applicable to the new financial instruments standards in the current period (Cont'd)*

#### *(b) Measurement of financial assets*

##### **Initial measurement**

At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are expensed in profit or loss for the current period.

##### **Subsequent measurement**

Subsequent measurement of financial assets depends on their classification:

##### **Financial assets at amortised cost**

The amortised cost of a financial asset shall be measured at the initial recognition amount after making the following adjustments: (i) minus the principal repayments; (ii) plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount; (iii) minus the cumulative loss provisions.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the book balance of a financial asset (i.e., its amortised cost before any impairment allowance). When calculating the effective interest rate, an entity shall not consider the expected credit losses (“ECL”), but shall consider transaction costs, premiums or discounts, and fees paid or received that are an integral part of the effective interest rate. For originated or purchased credit-impaired financial assets, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of ECL in estimated future cash flows.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

### 4 Summary of significant accounting policies and accounting estimates (Cont'd)

#### (21) Changes in significant accounting policies (Cont'd)

##### Financial instruments (Cont'd)

(i) *The specific accounting policies applicable to the new financial instruments standards in the current period (Cont'd)*

(b) *Measurement of financial assets (Cont'd)*

##### Subsequent measurement (Cont'd)

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except for the following cases: (a) for an originated or purchased credit-impaired financial asset, the interest income is calculated by applying credit-adjusted effective interest rate to the amortised cost of the financial asset; (b) for a financial asset that is not an originated or purchased credit-impaired financial asset, but subsequently subject to credit impairment, the interest income is calculated by applying the effective interest rate to the amortised cost (i.e., net of the provision for expected credit losses). The Group shall calculate the interest revenue by applying the effective interest rate to the book balance if the credit risk on the financial asset improves so that the financial asset is no longer credit-impaired and the improvement can be related objectively to an event occurring after the requirements mentioned above were applied. The Group calculates the interest income of the asset using the effective interest method and presents it as “interest income”.

While adjusting the estimated future cash flows, the Group adjusts the carrying amount of financial assets based on new estimated future cash flows and discounted cash flows using the original effective interest rate, and includes the changes in profit or loss.

##### Financial assets at fair value through other comprehensive income

##### Debt instruments

The impairment gains or losses relating to a financial asset at amortized cost, interest calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss for the current period. Besides, other changes in the carrying amount are included in other comprehensive income.

When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit or loss and recognised as “investment income”. The Group calculates the interest income of the asset using the effective interest method and presents it as “interest income”.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

*(i) The specific accounting policies applicable to the new financial instruments standards in the current period (Cont'd)*

*(b) Measurement of financial assets (Cont'd)*

#### Subsequent measurement (Cont'd)

##### Equity instruments

For an investment in equity instrument not held for trading that is designated as investments in other equity instruments, changes in fair value of the financial assets are included in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income shall be transferred to retained earnings. Dividend income as return on investments is recognised and included in profit or loss for the current period when the Group's right to receive payment of the dividend is established.

##### Financial assets at fair value through profit or loss

A gain or loss on a debt investment and equity instrument that is measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss for the current period.

#### *(c) Impairment of financial assets*

The Group assesses on a forward-looking basis the ECL associated with its debt instrument financial assets at amortised cost and fair value through other comprehensive income, and lease receivables, loan commitments and financial guarantee contracts.

ECL refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., the present value of all cash shortfalls). The purchased or originated credit-impaired financial assets shall be discounted using their credit-adjusted effective interest rate.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

### 4 Summary of significant accounting policies and accounting estimates (Cont'd)

#### (21) Changes in significant accounting policies (Cont'd)

##### Financial instruments (Cont'd)

(i) *The specific accounting policies applicable to the new financial instruments standards in the current period (Cont'd)*

(c) *Impairment of financial assets (Cont'd)*

The Group recognises relevant loss allowances at each reporting date. The Group's measurement of ECL of a financial instrument reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the balance sheet date about past events, current conditions and forecasts of future economic conditions.

For financial instruments included in the measurement of ECL, the Group applies “three stage” impairment model to measure the loss allowance and recognize the ECL in assessing whether the credit risk on a financial instrument has increased significantly since initial recognition.

- Stage 1: Financial instruments with credit risk not increased significantly since initial recognition are classified to Stage 1;
- Stage 2: Financial instruments with credit risk increased significantly since initial recognition yet without credit impairment are classified to Stage 2. For criteria for significant increase in credit risk, please refer to Note 57(1) Credit risk.
- Stage 3: Financial instruments with credit impairment are classified to Stage 3. For definition of credit-impaired assets, please refer to Note 57(1) Credit risk.

The loss allowance for the financial instruments at Stage 1 is determined at the amount of expected credit losses on the financial instrument within the next 12 months. The loss allowance for the financial instruments at Stage 2 and Stage 3 is determined at the amount of expected credit losses on the financial instrument within the lifetime. For parameters, assumptions and valuation used in the measurement of ECL, please refer to Note 57(1) Credit risk.

For an investment in debt instruments at fair value through other comprehensive income, the loss provision is recognised in other comprehensive income and the impairment gains or losses are recognised in profit or loss for the current period, and the carrying amount of the financial assets presented in the balance sheet shall not be reduced.

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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(21) Changes in significant accounting policies (Cont'd)**

#### **Financial instruments (Cont'd)**

*(i) The specific accounting policies applicable to the new financial instruments standards in the current period (Cont'd)*

#### *(c) Impairment of financial assets (Cont'd)*

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current balance sheet date that the financial assets no longer meet the condition that the credit risk has increased significantly since initial recognition, the Group shall measure the loss allowance at an amount equal to 12-month ECL at the current balance sheet date. Reversal of loss allowance therefrom shall be recognised in profit or loss for the current period, as impairment gains.

At the balance sheet date, the Group shall only recognise the cumulative changes in lifetime ECL since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets. At each balance sheet date, an entity shall recognise in profit or loss the amount of the change in lifetime ECL as an impairment gain or loss.

#### *(d) Derecognition of financial assets*

A financial asset is derecognised when one of the following criteria is satisfied: (i) the contractual rights to receive the cash flows from the financial asset are expired, (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

Under the condition that the financial asset has been transferred, if the Group neither transfers nor retains substantially all risks and rewards of ownership of the financial asset and retains the control over the financial asset, related financial assets and liabilities are recognised to the extent of the Group's continuing involvement in the transferred financial asset.

On derecognition of a financial asset, the difference between the two amounts below is recognised in profit or loss for the current period: (1) the carrying amount of the financial assets transferred; (2) sum of the consideration received from the transfer and the accumulated amount of changes in fair value which was recognised in other comprehensive income.

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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(21) Changes in significant accounting policies (Cont'd)**

#### **Financial instruments (Cont'd)**

*(ii) The specific accounting policies applicable to the old financial instruments standards in the comparative period*

A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

#### ***(a) Classification, recognition and measurement of financial assets***

All purchases or sale of financial assets are recognised and derecognised using trade date accounting. Regular way purchases or sale are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The financial assets are classified as financial assets at fair value through profit or loss, held-to-maturity investments, investments classified as receivables and available-for-sale financial assets at initial recognition. At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are expensed in profit or loss for the current period.

#### **Financial assets at fair value through profit or loss**

A financial asset is classified as financial assets held for trading when any of the below criteria is met: (1) the purpose of obtaining the financial asset is mainly for resale in the short term; (2) the financial asset is a component of the identifiable financial instrument group under centralised management and there's objective evidence that the Group recently gained profit in a short term through management of the group; or (3) the financial asset belongs to derivative financial instruments. However, derivative financial instruments which are designated and belong to effective hedging instruments or those under financial guarantee contracts are out of the range.

A financial asset is designated as at fair value through profit or loss upon initial recognition and its changes will be accounted in profit or loss if: (1) such designation eliminates or significantly reduces a measurement or recognition inconsistency of gains or losses that would otherwise arise due to different measurements used on such financial assets; or (2) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, (3) a hybrid instrument embedded with one or more derivative financial instruments, unless the embedded derivative does not significantly modify the cash flows of the hybrid instrument, or it is clear that a separation of the hybrid instrument from the embedded derivative is obviously inappropriate.



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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(21) Changes in significant accounting policies (Cont'd)**

#### **Financial instruments (Cont'd)**

*(ii) The specific accounting policies applicable to the old financial instruments standards in the comparative period (Cont'd)*

#### *(a) Classification, recognition and measurement of financial assets (Cont'd)*

Financial assets at fair value through profit or loss are subsequently measured at fair value. The gains or losses arising from changes in fair value, together with dividends and interest income relating to and gains or losses arising from disposals of such financial assets shall be recognised in profit or loss for the current period.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables mainly include deposits with the Central Bank, deposits with banks and other financial institutions, deposits with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, quasi-credit debt assets and investments classified as receivables.

Loans and receivables are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment and amortisation are recognised in profit or loss for the current period.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as financial assets at fair value through profit or loss, investments classified as receivables, and held-to-maturity investments.

Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value (other than impairment losses and exchange gains and losses resulted from monetary assets dominated in foreign currencies and amortised cost, which are recognised in profit or loss for the current period) are directly included in shareholders' equity, and are reversed and recognised in profit or loss for the period when such financial assets are derecognised.

Interest calculated using the effective interest method during the period in which the Bank holds the available-for-sale financial assets and cash dividends declared by the investee are recognised as interest income and investment income, respectively.



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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(ii) *The specific accounting policies applicable to the old financial instruments standards in the comparative period (Cont'd)*

(a) *Classification, recognition and measurement of financial assets (Cont'd)*

#### Available-for-sale financial assets (Cont'd)

Investments in equity instruments that are not quoted in an active market, whose fair value cannot be reliably measured, and derivative financial assets that are related to the equity instruments and should be settled through delivery of the equity instruments are measured at cost, and are assessed for impairment on a regular basis.

#### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable payments that management has the positive intention and ability to hold to maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment and amortisation are recognised in profit or loss for the current period.

The effective interest method is a method to calculate amortised costs and interest income and expenses for each period of financial assets or financial liabilities (including a group of financial assets or financial liabilities) at their effective interest rates. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial assets or financial liabilities, where appropriate, a shorter period, to the current carrying amount of the financial assets or financial liabilities.

The calculation of the effective interest rate considers future cash flows payments or receipts (excluding expected credit loss) based on the contract terms of financial assets or financial liabilities, including transaction costs, premiums or discounts and fees paid or received integral to the effective interest rate.

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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(21) Changes in significant accounting policies (Cont'd)**

#### **Financial instruments (Cont'd)**

*(ii) The specific accounting policies applicable to the old financial instruments standards in the comparative period (Cont'd)*

#### ***(b) Impairment of financial assets***

The Group assesses the carrying amounts of financial assets other than those at fair value through profit or loss at each balance sheet date. If there is objective evidence that a financial asset is impaired, an impairment loss is provided for.

Objective evidences indicating financial assets are impaired include but are not limited to:

- Significant financial difficulty of the debtor or issuer;
- A breach of contract by the debtor or issuer, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the debtor's financial difficulty, grants to the debtor a concession that will not be made under normal circumstances;
- The debtor is likely to go bankrupt or face other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties faced by the issuer;
- It cannot be identified or confirmed if the cash flow of an asset in a group of financial assets has decreased. However, after the overall assessment based on the data on the market, the estimated future cash flow of the group of the financial assets, subsequent to its initial recognition, has decreased and can be measured, for example, the debtor's ability to pay gradually deteriorates, or the unemployment rate of the country or region where the debtor locates at increases, the price of the collateral in its region drops rapidly and the industry is depressed, etc.;
- The equity instrument investors may not be able to recover investment cost due to material adverse changes in technological, market, economic or legal environment where the equity instrument debtor or issuer operates;
- A significant or prolonged decline in the fair value of an investment in an equity instrument; and
- Other objective evidences indicating financial assets are impaired.

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## **4 Summary of significant accounting policies and accounting estimates (Cont'd)**

### **(21) Changes in significant accounting policies (Cont'd)**

#### **Financial instruments (Cont'd)**

*(ii) The specific accounting policies applicable to the old financial instruments standards in the comparative period (Cont'd)*

#### ***(b) Impairment of financial assets (Cont'd)***

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. The Group performs a collective assessment for a financial asset that is not individually significant and financial assets (including financial assets that are individually significant and not individually significant) for which impairment has not yet been identified through individual assessment by including the assets in a group of financial assets with similar credit risk characteristics. Assets for which an impairment loss is individually recognised are not included in a group of financial assets with similar credit risk characteristics for impairment assessment.

#### **Impairment of available-for-sale financial assets**

When an available-for-sale financial asset measured at fair value is impaired, the cumulative loss arising from decline in fair value previously recognised directly in owners' equity is reclassified to profit or loss, which is calculated as the amount of the asset's initial acquisition cost net of the recovered principal and the amortised amount, the current amount of fair value, and the impairment loss previously recognised in profit or loss. For an investment in debt instrument classified as available-for-sale on which the impairment loss has been recognised, if, in a subsequent period, its fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss for the current period. For an investment in an equity instrument classified as available-for-sale on which the impairment loss has been recognised, the increase in its fair value in a subsequent period is recognised directly in equity.

If an impairment loss on an available-for-sale financial asset measured at cost occurs, the amount of loss is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset and recognised in profit or loss for the current period. The previously recognised impairment loss will not be reversed in subsequent periods.

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**4 Summary of significant accounting policies and accounting estimates (Cont'd)**

**(21) Changes in significant accounting policies (Cont'd)**

**Financial instruments (Cont'd)**

*(ii) The specific accounting policies applicable to the old financial instruments standards in the comparative period (Cont'd)*

**(b) Impairment of financial assets (Cont'd)**

Impairment of held-to-maturity investments and investments classified as receivables

If there is objective evidence that financial assets at amortised cost are impaired, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate, and is recognised in profit or loss for the current period. A provision for impairment is made for reducing the carrying amount of the assets. For financial assets with variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that are expected to result from foreclosure, less the cost of obtaining and selling the collateral, whether the collateral is enforced or not.

For the purposes of a collective assessment of impairment, financial assets are grouped on the basis of similar and relevant credit risk characteristics. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

When a financial asset is uncollectible, it is written off against the related provisions for impairment after all the necessary procedures have been completed and the amount has been determined. Subsequent recoveries of amounts previously written off are credited to the profit or loss for the current period.

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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(ii) *The specific accounting policies applicable to the old financial instruments standards in the comparative period (Cont'd)*

#### **(b) Impairment of financial assets (Cont'd)**

Impairment of held-to-maturity investments and investments classified as receivables (Cont'd)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised impairment loss is reversed through the consolidated income statement to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### *(c) Derecognition of financial assets*

A financial asset is derecognised when one of the following criteria is satisfied: (1) the contractual rights to receive the cash flows from the financial asset are expired; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (3) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

Under the condition that the financial asset has been transferred, if the Group neither transfers nor retains substantially all risks and rewards of ownership of the financial asset and retains the control over the financial asset, related financial assets and liabilities are recognised to the extent of the Group's continuing involvement in the transferred financial asset.

On derecognition of a financial asset, the difference between the two amounts below is recognised in profit or loss for the current period: (1) the carrying amount of the financial assets transferred; (2) sum of the consideration received from the transfer and the accumulated amount of changes in fair value which was recognised in other comprehensive income.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments

As at 1 January 2021, the financial assets and financial liabilities were classified and measured in accordance with the old/new financial instruments standards, and the comparison is as follows:

The Group	Old financial instruments standards		New financial instruments standards	
	Measurement category	Carrying amount	Measurement category	Carrying amount
<b>Financial assets</b>				
Cash and deposits with the Central Bank	Amortised cost	82,310	Amortised cost	82,310
Deposits with banks and other financial institutions	Amortised cost	15,472	Amortised cost	15,388
Placements with banks and other financial institutions	Amortised cost	8,316	Amortised cost	8,265
Financial assets held under resale agreements	Amortised cost	64,774	Amortised cost	64,729
Interest receivable	Amortised cost	5,851	Amortised cost	5,752
Loans and advances to customers	Amortised cost	532,549	Amortised cost	500,563
			Fair value through other comprehensive income	31,494
Quasi-credit debt assets	Amortised cost	79,534	Amortised cost	78,943
Financial investments	Fair value through other comprehensive income (Available-for-sale)	150,574	Fair value through profit or loss	87,476
			Fair value through other comprehensive income	44,699
			Designated as at fair value through other comprehensive income	66
			Amortised cost	18,460
	Amortised cost (Held-to-maturity)	104,366	Amortised cost	73,940
			Fair value through other comprehensive income	16,283
			Fair value through profit or loss	14,288



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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) *Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)*

As at 1 January 2021, the financial assets and financial liabilities were classified and measured in accordance with the old/new financial instruments standards, and the comparison is as follows:

The Group (Cont'd)	Old financial instruments standards		New financial instruments standards	
	Measurement category	Carrying amount	Measurement category	Carrying amount
<b>Financial assets</b>				
Financial investments	Amortised cost (Investments classified as receivables)	5,791	Amortised cost	4,732
			Fair value through other comprehensive income	4
			Fair value through profit or loss	1,118
	Fair value through profit or loss	20,632	Fair value through profit or loss	20,632
Other financial assets	Amortised cost	5,701	Amortised cost	5,701

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)

As at 1 January 2021, the financial assets and financial liabilities were classified and measured in accordance with the old/new financial instruments standards, and the comparison is as follows:

The Bank	Old financial instruments standards		New financial instruments standards	
	Measurement category	Carrying amount	Measurement category	Carrying amount
<b>Financial assets</b>				
Cash and deposits with the Central Bank	Amortised cost	81,895	Amortised cost	81,895
Deposits with banks and other financial institutions	Amortised cost	15,718	Amortised cost	15,634
Placements with banks and other financial institutions	Amortised cost	8,316	Amortised cost	8,265
Financial assets held under resale agreements	Amortised cost	64,774	Amortised cost	64,729
Interest receivable	Amortised cost	5,535	Amortised cost	5,436
Loans and advances to customers	Amortised cost	528,295	Amortised cost	496,342
			Fair value through other comprehensive income	31,494
Quasi-credit debt assets	Amortised cost	40,471	Amortised cost	40,529
Financial investments	Fair value through other comprehensive income (Available-for-sale)	150,574	Fair value through profit or loss	87,476
			Fair value through other comprehensive income	44,699
			Designated as at fair value through other comprehensive income	66
			Amortised cost	18,460
	Amortised cost (Held-to-maturity)	104,366	Amortised cost	73,940
			Fair value through other comprehensive income	16,283
			Fair value through profit or loss	14,288

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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) *Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)*

As at 1 January 2021, the financial assets and financial liabilities were classified and measured in accordance with the old/new financial instruments standards, and the comparison is as follows:

The Bank (Cont'd)	Old financial instruments standards		New financial instruments standards	
	Measurement category	Carrying amount	Measurement category	Carrying amount
<b>Financial assets</b>				
Financial investments	Amortised cost (Investments classified as receivables)	5,791	Amortised cost	4,732
			Fair value through other comprehensive income	4
			Fair value through profit or loss	1,118
	Fair value through profit or loss	20,632	Fair value through profit or loss	20,632
Investments in consolidated structured entities	Amortised cost	39,363	Amortised cost	38,714
Other financial assets	Amortised cost	5,700	Amortised cost	5,700

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) *Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)*

(a) *Reconciliation from balance in the balance sheet under the old financial instruments standards to that under the new financial instruments standards*

The Group analyses its business model for managing the financial assets and cash flow characteristics of financial assets. As at 1 January 2021, the carrying amount of financial assets was reconciled from the old financial instruments standards to the new financial instruments standards based on the new measurement category:

The Group	Carrying amount under the old financial instruments standards 31 December 2020	Reclassification	Remeasurement	Carrying amount under the new financial instruments standards 1 January 2021
Cash and deposits with the Central Bank				
Amortised cost	82,310	-	-	82,310
Deposits with banks and other financial institutions				
Amortised cost	15,472	-	(84)	15,388
Placements with banks and other financial institutions				
Amortised cost	8,316	-	(51)	8,265
Financial assets held under resale agreements				
Amortised cost	64,774	-	(45)	64,729
Interest receivable				
Amortised cost	5,851	-	(99)	5,752
Loans and advances to customers				
Amortised cost	532,549	(31,101)	(885)	500,563
Fair value through other comprehensive income	N/A	31,101	393	31,494
Total	532,549	-	(492)	532,057
Quasi-credit debt assets				
Amortised cost	79,534	-	(591)	78,943
Other financial assets				
Amortised cost	5,701	-	-	5,701

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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) *Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)*

(a) *Reconciliation from balance in the balance sheet under the old financial instruments standards to that under the new financial instruments standards (Cont'd)*

The Group and the Bank	Carrying amount under the old financial instruments standards 31 December 2020	Reclassification	Remeasurement	Carrying amount under the new financial instruments standards 1 January 2021
Financial assets at fair value through profit or loss				
Fair value through profit or loss	20,632	(20,632)	-	-
Financial investments				
Fair value through profit or loss		20,632	-	20,632
Total	20,632	-	-	20,632
Available-for-sale financial assets				
Fair value through other comprehensive income	150,574	(150,574)	-	-
Financial investments				
Fair value through profit or loss		87,463	13	87,476
Fair value through other comprehensive income		44,699	-	44,699
Designated as at fair value through other comprehensive income		66	-	66
Amortised cost		18,346	114	18,460
Total	150,574	-	127	150,701
Held-to-maturity investments				
Amortised cost	104,366	(104,366)	-	-
Financial investments				
Fair value through profit or loss		14,488	(200)	14,288
Fair value through other comprehensive income		15,830	453	16,283
Amortised cost		74,048	(108)	73,940
Total	104,366	-	145	104,511
Investments classified as receivables				
Amortised cost	5,791	(5,791)	-	-
Financial assets				
Fair value through profit or loss		1,070	48	1,118
Designated as at fair value through other comprehensive income		4	-	4
Amortised cost		4,717	15	4,732
Total	5,791	-	63	5,854

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) *Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)*

(a) *Reconciliation from balance in the balance sheet under the old financial instruments standards to that under the new financial instruments standards (Cont'd)*

The Bank analyses its business model for managing the financial assets and cash flow characteristics of financial assets. As at 1 January 2021, the carrying amount of financial assets was reconciled from the old financial instruments standards to the new financial instruments standards based on the new measurement category:

The Bank	Carrying amount under the old financial instruments standards 31 December 2020	Reclassification	Remeasurement	Carrying amount under the new financial instruments standards 1 January 2021
Cash and deposits with the Central Bank				
Amortised cost	81,895	-	-	81,895
Deposits with banks and other financial institutions				
Amortised cost	15,718	-	(84)	15,634
Placements with banks and other financial institutions				
Amortised cost	8,316	-	(51)	8,265
Financial assets held under resale agreements				
Amortised cost	64,774	-	(45)	64,729
Interest receivable				
Amortised cost	5,535	-	(99)	5,436
Loans and advances to customers				
Amortised cost	528,295	(31,101)	(852)	496,342
Fair value through other comprehensive income	N/A	31,101	393	31,494
Total	528,295	-	(459)	527,836
Quasi-credit debt assets				
Amortised cost	40,471	-	58	40,529
Investments in consolidated structured entities				
Amortised cost	39,363	-	(649)	38,714
Other financial assets				
Amortised cost	5,700	-	-	5,700



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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) *Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)*

(a) *Reconciliation from balance in the balance sheet under the old financial instruments standards to that under the new financial instruments standards (Cont'd)*

As at 1 January 2021, the provision for impairment at the end of the previous period measured using the incurred loss model under the old financial instruments standards was reconciled to the new loss provision measured using the ECL model under the new financial instrument standards:

The Group	Provision for impairment/ Provisions under the old financial instruments standards	Reclassification	Remeasurement	Provision for impairment/ Provisions under the new financial instruments standards
Deposits with banks and other financial institutions	6	-	84	90
Placements with banks and other financial institutions	16	-	51	67
Financial assets held under resale agreements	-	-	45	45
Loans and advances to customers				
- Amortised cost	22,307	(393)	885	22,799
- Fair value through				
Other comprehensive income	N/A	393	(157)	236
Quasi-credit debt assets	11,322	-	591	11,913
Available-for-sale financial assets	575	(575)	-	-
Held-to-maturity investments	17	(17)	-	-
Investments classified as receivables	1,477	(1,477)	-	-
Investments in financial assets				
- Fair value through				
Other comprehensive income	-	943	79	1,022
- Amortised cost	-	961	189	1,150
Sub-total	35,720	(165)	1,767	37,322
Off-balance-sheet credit assets	746	-	359	1,105
Total	36,466	(165)	2,126	38,427

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Financial instruments (Cont'd)

(iii) Disclosure of the effect of the Group's implementation of the new financial instruments standards: Classification and measurement of financial instruments (Cont'd)

(b) Reconciliation from balance of the provision for impairment under the old financial instruments standards to that under the new financial instruments standards

As at 1 January 2021, the provision for impairment at the end of the previous period measured using the incurred loss model under the old financial instruments standards was reconciled to the new loss provision measured using the ECL model under the new financial instrument standards:

The Bank	Provision for impairment/ Provisions under the old financial instruments standards	Reclassification	Remeasurement	Provision for impairment/ Provisions under the new financial instruments standards
Deposits with banks and other financial institutions	43	-	84	127
Placements with banks and other financial institutions	16	-	51	67
Financial assets held under resale agreements	-	-	45	45
Loans and advances to customers				
- Amortised cost	21,959	(393)	852	22,418
- Fair value through				
Other comprehensive income	N/A	393	(157)	236
Quasi-credit debt assets	419	-	(58)	361
Available-for-sale financial assets	575	(575)	-	-
Held-to-maturity investments	17	(17)	-	-
Investments classified as receivables	1,477	(1,477)	-	-
Financial investments				
- Fair value through				
Other comprehensive income	-	943	79	1,022
- Amortised cost	-	961	189	1,150
Consolidated structured entity investment	10,961	-	649	11,610
Sub-total	35,467	(165)	1,734	37,036
Off-balance-sheet credit assets	746	-	359	1,105
Total	36,213	(165)	2,093	38,141

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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Leases

(i) *The specific accounting policies applicable to the new lease standard in the current period are as follows:*

#### *(a) Recognition of leases*

The Group evaluates the contract on the contract inception date to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group makes the following assessments:

- Whether the contract involves the use of an identified asset - the identified asset may be specified explicitly or implicitly and physically distinct, or may represent substantially all of the capacity of a physically distinct asset. The asset is not an identified asset if the lessor has the substantive right to substitute the asset;
- Whether the Group is entitled to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- Whether the Group has the right to direct the use of an identified asset. The Group is considered to have the right to dominate the use of the asset when it has the most relevant decision-making power regarding how and for what purpose the asset is to be used. In the few cases where decisions related to how and for what purpose the asset is to be used have been predetermined, if
  - 1) The Group has the right to operate the asset; or
  - 2) The Group has the right to dominate the use of the asset if the Group designs the asset so as to predetermine how and for what purpose the asset is to be used throughout the period of use.

For a contract that contains both lease and non-lease components, the Group has elected not to separate non-lease components and accounts for lease and non-lease components as a single lease component.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Leases (Cont'd)

(i) *The specific accounting policies applicable to the new lease standard in the current period are as follows (Cont'd):*

(b) *The Group as the lessee*

At the commencement date, the Group recognises a right-of-use asset as well as a lease liability. The right-of-use asset is measured initially at cost, which comprises the amount of the initial measurement of the lease liability (adjusted for any lease payments made at or before the commencement date), plus any initial direct costs incurred and the estimated cost of dismantling and removing the underlying asset, restoring the underlying asset or the site on which it is located, less any lease incentives received.

The Group subsequently depreciates the right-of-use asset using the straight-line method over the shorter of the period from the commencement date to the end of the useful life of the right-of-use asset and the lease term. The estimated useful life of the right-of-use asset is determined based on the same methodology for estimating useful lives of property and equipment. In addition, impairment losses, if any, on the right-of-use asset are recognised periodically and adjusted for certain re-measurement results on lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, and the discount rate is the interest rate implicit in the lease; when the implicit interest rate cannot be directly determined, the discount rate is the Group's incremental borrowing rate. Generally, the Group adopts the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include the following:

- Fixed payments (including in-substance fixed payments);
- Amounts expected to be payable under residual value guarantees by the lessee.
- Variable payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, lease payments during the renewal period if the Group is reasonably certain to exercise a renewal option, and payments of penalties if the Group is reasonably certain to exercise an option to terminate the lease.

The Group remeasures the lease liability when there is a change in an index or a rate, a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or a change in the Group's assessment of whether a purchase, renewal or termination option will be exercised, resulting in a subsequent change in the amount of future lease payments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

### 4 Summary of significant accounting policies and accounting estimates (Cont'd)

#### (21) Changes in significant accounting policies (Cont'd)

##### Leases (Cont'd)

(i) *The specific accounting policies applicable to the new lease standard in the current period are as follows (Cont'd):*

(b) *The Group as the lessee (Cont'd)*

When the lease liability is remeasured as described above, the Group correspondingly adjusts the carrying amount of the right-of-use asset; if the carrying amount of the right-of-use asset has been reduced to zero, the amount of the adjustment is charged to profit or loss.

For short-term leases with a remaining term of 12 months or less or leases of low value assets, the Group chooses not to recognise right-of-use assets and lease liabilities. The Group recognises lease payments related to these leases as an expense on a straight-line basis over the lease term.

For the rent concessions as a direct result of COVID-19 and for the period ended 30 June 2022 only, the Group applies the practical expedient and records the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with corresponding adjustment of lease liabilities.

(c) *The Group as the lessor*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, with possible transfer or non-transfer of ultimate ownership. All other leases are classified as operating leases.

As a lessor under operating leases, the Group recognises lease proceeds from operating leases as rental income on a straight-line basis or applying other more reasonable methods. Initial direct costs incurred by the lessor in connection with an operating lease should be capitalised and recognised as profit and loss for the current period over the lease term on a same basis with recognition of rental income; fixed assets held under operating leases are depreciated according to the depreciation policy; the variable lease payments obtained in relation to operating leases but not included in the lease proceeds are included in profit and loss for the current period when actually incurred.

When the Group acts as the lessor of a sublease, the sublease is classified by reference to the right-to-use assets arising from the original lease, rather than the underlying assets of the original lease.

For the rent concessions as a direct result of COVID-19 and for the period ended 30 June 2022 only, the Group applies the practical expedient to account for the concessions as variable lease payments and record the concessions in profit or loss during the waiving period.

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**4 Summary of significant accounting policies and accounting estimates (Cont'd)**

**(21) Changes in significant accounting policies (Cont'd)**

**Leases (Cont'd)**

*(ii) The specific accounting policies applicable to the old lease standard in the comparative period are as follows:*

When the Group, as a lessee, leases a fixed asset under finance leases, the leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge and is amortised using the effective interest method over the period of the lease. A long-term liability is recorded at the amount equal to the minimum lease payments less the unrecognised finance charge.

Fixed assets held under a finance lease is depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the period of expected use; otherwise, the leased asset is depreciated over the shorter period of the lease term and the period of expected use.

As a lessor, the Group continues to account for its leased assets under the Group's assets, and rental income is recognised in profit or loss for the current period on a straight-line basis over the lease term.



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## 4 Summary of significant accounting policies and accounting estimates (Cont'd)

### (21) Changes in significant accounting policies (Cont'd)

#### Leases (Cont'd)

##### *(iii) Disclosure of the effect of the Group's implementation of the new lease standard*

As a result of the adoption of Accounting Standard for Business Enterprises No. 21 - Lease, the Group has re-recognised the corresponding lease liabilities and right-of-use assets for leases previously classified as "operating leases" under the old lease standard. The lease liabilities are measured at the present value of the remaining lease payments discounted at the lessee's incremental borrowing rate on 1 January 2021. As at 1 January 2021, the range of the lessee's borrowing rate applicable to the lease liabilities was 2.74 - 4.49%. The Group had no finance leases before 1 January 2021.

Operating lease commitments as at 31 December 2020	1,967
The lessee's remaining lease payments (discounted at the discount rate) at the date of first application:	1,864
(Less): Short-term leases amortised to profit or loss on a straight-line basis	-
Lease liabilities recognised as at 1 January 2021	1,864

The Group's right-of use assets were measured at the amount equal to the lease liabilities, adjusted based on the amount of prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2020. The Group's lease contracts are all non-onerous contracts and do not require any adjustment to right-of-use assets on the date of initial application.

The change in accounting policy affected the following items in the balance sheet on 1 January 2021:

	1 January 2021
Right-of-use assets	2,121
Other asset (Prepaid rentals)	(257)
Lease liabilities	1,864

The above change in accounting policy does not affect the undistributed profits as at 1 January 2021.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 5 Taxation

The main categories and rates of taxes applicable to the Group are set out below:

Category	Note	Tax rate	Tax base
Enterprise income tax	(1)	15%/25%	Taxable income
Value-added tax ("VAT")	(2)	3% - 13%	Taxable VAT amount
City maintenance and construction tax		5% - 7%	The amount of VAT paid
Educational surcharge		3% - 5%	The amount of VAT paid
Local educational surcharge		2%	The amount of VAT paid

(1) Pursuant to the *Announcement on Continuing the Enterprise Income Tax Policies for the Development of Western China* (Announcement [2020] No. 23) jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, Chongqing Yunyang Hengfeng Rural Bank Co., Ltd., a subsidiary of the Group, is subject to enterprise income tax at the preferential rate of 15% from 1 January 2021 to 31 December 2030.

(2) Pursuant to the *Notice on Further Clarifying Policies concerning the Financial Industry during the Comprehensive Promotion of the Pilot Program of Replacing Business Tax with Value-Added Tax* (Cai Shui [2016] No. 46), rural banks, subsidiaries of the Group, are subject to VAT levied at a rate of 3% by simplified tax calculation method.

Pursuant to the *Notice on the Exemption of Value-Added Tax on the Interest Income Obtained by Financial Institutions from Granting Loans to Micro and Small Enterprises* (Cai Shui [2018] No. 91) and the *Announcement on Extending the Implementation Period of Certain Preferential Tax Policies* jointly issued by the Ministry of Finance and the State Taxation Administration, from 1 September 2018 to 31 December 2020, the interest income obtained from petty loans granted by the financial institution to a small or micro enterprise or an individual industrial and commercial household is exempt from VAT.

Pursuant to the *Announcement on Relevant Policies for Deepening Value-Added Tax Reform* (Cai Shui Haiguan [2019] No. 39) jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, for VAT taxable sales activities of the Group, the original applicable tax rates of 16% and 10% were adjusted to 13% and 9% respectively since 1 April 2019.

**NOTES TO THE FINANCIAL STATEMENTS  
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## 6 Cash and deposits with the Central Bank

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Cash on hand		831	823	814	807
Deposits with the Central Bank					
- Statutory reserve	(1)	52,550	53,248	52,293	52,946
- Surplus reserve	(2)	19,901	27,817	19,778	27,720
- Fiscal deposits	(3)	36	422	36	422
Accrued interest		27	N/A	27	N/A
Total		73,345	82,310	72,948	81,895

(1) The Group's deposit reserves, including RMB deposit reserve and foreign currency deposit reserve, are placed with PBOC in accordance with relevant requirements. The statutory deposit reserves are not available for use in the Group's daily business.

As at 31 December 2021, the statutory deposit reserve placed with PBOC was calculated at 8% (31 December 2020: 9%) of eligible RMB deposits of the Bank. The Bank is also required to deposit an amount equivalent to 9% (31 December 2020: 5%) of its foreign currency deposits as statutory deposit reserve.

For five rural banks, subsidiaries of the Group, the RMB deposit reserve ratio is determined in accordance with relevant regulations of PBOC. As at 31 December 2021, the RMB deposit reserve ratio was 5% (31 December 2020: 6%).

PBOC bears interest for RMB deposit reserve while no interest for foreign currency deposit reserve.

(2) Surplus reserve with PBOC represents deposits placed with PBOC for settlement and clearing of interbank transactions.

(3) Fiscal deposits placed with PBOC are not available for use in the daily operations and are non-interest bearing.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 7 Deposits with banks and other financial institutions

		The Group		The Bank	
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Mainland China					
- Banks		7,240	9,289	7,211	9,572
- Non-bank financial institutions		152	352	152	352
Sub-total		7,392	9,641	7,363	9,924
Overseas					
- Banks		2,607	5,837	2,607	5,837
Sub-total		2,607	5,837	2,607	5,837
Accrued interest		10	N/A	8	N/A
Total		10,009	15,478	9,978	15,761
Provision for impairment	25	(61)	(6)	(61)	(43)
Net book value		9,948	15,472	9,917	15,718

In 2021, the Group's deposits with banks and other financial institutions had no transfer between impairment stages, and the changes in the provision for impairment were due to the new origination or purchase, derecognition or settlement.

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## 8 Placements with banks and other financial institutions

		The Group		The Bank	
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Mainland China					
- Banks		-	422	-	422
- Non-bank financial institutions		29,080	7,910	29,080	7,910
Sub-total		29,080	8,332	29,080	8,332
Accrued interest		219	N/A	219	N/A
Total		29,299	8,332	29,299	8,332
Provision for impairment	25	(150)	(16)	(150)	(16)
Net book value		29,149	8,316	29,149	8,316

In 2021, the Group's placements with banks and other financial institutions had no transfer between impairment stages, and the changes in the provision for impairment were due to the new origination or purchase, derecognition or settlement.

## 9 Financial assets held under resale agreements

### (1) Analysed by type and location of counterparties

		The Group		The Bank	
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Mainland China					
- Banks		15,650	9,622	15,650	9,622
- Non-bank financial institutions		13,455	55,152	13,455	55,152
Sub-total		29,105	64,774	29,105	64,774
Accrued interest		2	N/A	2	N/A
Total		29,107	64,774	29,107	64,774
Provision for impairment	25	(69)	-	(69)	-
Net book value		29,038	64,774	29,038	64,774

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 9 Financial assets held under resale agreements (Cont'd)

### (2) Analysed by collateral

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Bonds		29,105	64,774	29,105	64,774
Accrued interest		2	N/A	2	N/A
Total		29,107	64,774	29,107	64,774
Provision for impairment	25	(69)	-	(69)	-
Net book value		29,038	64,774	29,038	64,774

The collaterals received by the Group from resale transactions are disclosed in Note 56.

In 2021, the Group's financial assets held under resale agreements had no transfer between impairment stages, and the changes in the provision for impairment were due to the new origination or purchase, derecognition or settlement.

## 10 Interest receivable

	Note	31 December 2020	
		The Group	The Bank
Loans and advances to customers		2,028	2,017
Held-to-maturity investments		1,534	1,534
Available-for-sale financial assets		1,267	1,267
Quasi-credit debt assets		1,093	735
Financial assets at fair value through profit or loss		271	271
Deposits with banks, placements with banks and other financial institutions, financial assets held under resale agreements		134	129
Investments classified as receivables		103	103
Others		140	140
Sub-total		6,570	6,196
Provision for impairment	25	(719)	(661)
Net book value		5,851	5,535



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## 11 Loans and advances to customers

### (1) Analysed by measurement method

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Total loans and advances to customers at amortised cost		570,641	554,856	566,116	550,254
Provision for impairment	25	(20,607)	(22,307)	(20,458)	(21,959)
Loans and advances to customers at amortised cost, net	(a)	550,034	532,549	545,658	528,295
Loans and advances to customers at fair value through other comprehensive income, net	(b)	77,704	N/A	77,704	N/A
Including: Change in the fair value of loans and advances to customers at fair value through other comprehensive income		19	N/A	19	N/A
Accrued interest		1,945	N/A	1,934	N/A
Loans and advances to customers, net		629,683	532,549	625,296	528,295
Loss provisions of loans and advances to customers at fair value through other comprehensive income	25	(274)	N/A	(274)	N/A

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 11 Loans and advances to customers (Cont'd)

### (1) Analysed by measurement method (Cont'd)

#### (a) Loans and advances to customers at amortised cost

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Loans and advances to corporates				
- General loans	480,927	461,127	478,153	458,211
- Discounted notes	-	30,881	-	30,881
Sub-total	480,927	492,008	478,153	489,092
Loans and advances to individuals				
- Consumption loans	28,678	30,706	28,486	30,559
- Housing loans	39,860	15,995	39,736	15,892
- Operational loans	17,457	13,714	16,022	12,278
- Credit cards	3,719	2,433	3,719	2,433
Sub-total	89,714	62,848	87,963	61,162
Total	570,641	554,856	566,116	550,254
Provision for impairment	(20,607)	(22,307)	(20,458)	(21,959)
Net book value	550,034	532,549	545,658	528,295

#### (b) Loans and advances to customers at fair value through other comprehensive income

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Loans and advances to corporates				
General loans	2,533	N/A	2,533	N/A
Discounted notes	75,171	N/A	75,171	N/A
Total	77,704	N/A	77,704	N/A

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## 11 Loans and advances to customers (Cont'd)

### (2) Analysed by assessment method for ECL of loans

The Group	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Total loans and advances to customers at amortised cost	532,672	20,065	17,904	570,641
Provision for impairment	(5,113)	(3,870)	(11,624)	(20,607)
Carrying amount of loans and advances to customers at amortised cost	527,559	16,195	6,280	550,034
Carrying amount of loans and advances to customers at fair value through other comprehensive income	77,704	-	-	77,704
Loss provisions of loans and advances to customers at fair value through other comprehensive income	(274)	-	-	(274)

The Bank	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Total loans and advances to customers at amortised cost	528,361	19,924	17,831	566,116
Provision for impairment	(5,052)	(3,843)	(11,563)	(20,458)
Carrying amount of loans and advances to customers at amortised cost	523,309	16,081	6,268	545,658
Carrying amount of loans and advances to customers at fair value through other comprehensive income	77,704	-	-	77,704
Loss provisions of loans and advances to customers at fair value through other comprehensive income	(274)	-	-	(274)

For loans and advances to corporates in Stage 1 and Stage 2 and loans and advances to individuals, the ECL is provided by applying the ECL model; for loans and advances to corporates in Stage 3, the ECL is provided by applying the discounted cash flow model. Please refer to Note 57 (1) for details.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 11 Loans and advances to customers (Cont'd)

### (2) Analysed by assessment method for the ECL of loans (Cont'd)

The Group	Loans and advances for which provisions are collectively assessed	31 December 2020		
		Impaired loans and advances (Note (i))		
		Loss provisions collectively assessed	Loss provisions individually assessed	Sub-total
Total loans and advances to customers	540,021	2,716	12,119	554,856
Provision for impairment	(12,892)	(1,480)	(7,935)	(22,307)
Loans and advances to customers, net	527,129	1,236	4,184	532,549

The Bank	Loans and advances for which provisions are collectively assessed	31 December 2020		
		Impaired loans and advances (Note (i))		
		Loss provisions collectively assessed	Loss provisions individually assessed	Sub-total
Total loans and advances to customers	535,675	2,460	12,119	550,254
Provision for impairment	(12,757)	(1,267)	(7,935)	(21,959)
Loans and advances to customers, net	522,918	1,193	4,184	528,295

(i) Impaired loans and advances include loans and advances for which there is objective evidence of impairment and for which the impairment loss assessed is significant, either by way of individual or collective assessment (referring to a portfolio of loans and advances with the same credit risk characteristics).

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## 11 Loans and advances to customers (Cont'd)

### (3) Movements in loss provisions for loans

The Group	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
1 January 2021	6,393	5,520	10,886	22,799
Transfer:				
To stage 1	205	(205)	-	-
To stage 2	(221)	292	(71)	-
To stage 3	(110)	(1,574)	1,684	-
New originated or purchased financial assets	1,346	-	-	1,346
Transfer-out/Return in the current period	(1,467)	(570)	(470)	(2,507)
Remeasurement	(1,033)	407	6,717	6,091
Write-off in the current period	-	-	(8,721)	(8,721)
Written-off loans recovered for the year	-	-	1,599	1,599
31 December 2021	5,113	3,870	11,624	20,607

The Bank	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
1 January 2021	6,252	5,500	10,666	22,418
Transfer:				
To stage 1	205	(205)	-	-
To stage 2	(220)	291	(71)	-
To stage 3	(110)	(1,573)	1,683	-
New originated or purchased financial assets	1,326	-	-	1,326
Transfer-out/ Return in the current period	(1,455)	(566)	(356)	(2,377)
Remeasurement	(946)	396	6,576	6,026
Write-off in the current period	-	-	(8,531)	(8,531)
Written-off loans recovered for the year	-	-	1,596	1,596
31 December 2021	5,052	3,843	11,563	20,458

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 11 Loans and advances to customers (Cont'd)

### (3) Movements in loss provisions for loans (Cont'd)

Changes in principal of loans and advances to customers resulting in significant impact on the Group's loss provisions in 2021 mainly arose from credit business at the Bank level, which included:

In 2021, the loan principal of the Bank's corporate loans at the Bank level transferred from Stage 1 to Stage 2 and Stage 3 was RMB 5,215 million; the loan principal transferred from Stage 2 to Stage 3 was RMB 6,007 million, the loan principal transferred from Stage 2 to Stage 1 was RMB 918 million; the loan principal transferred from Stage 3 to Stage 2 was RMB 163 million. The change in loss provisions due to the stage transfer of individual loans at the Bank level in 2021 was not material.

In 2021, the modification of the contractual cash flows not causing the derecognition of loans resulted in the transfer of the relevant loss provisions of loans from Stage 3 to Stage 2, and from Stage 3 or Stage 2 to Stage 1, but the carrying amount of loans involved was not significant.

### (4) Analysed by type of collateral

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Unsecured loans	208,241	158,859	207,686	156,826
Secured loans	232,825	253,479	230,644	252,406
Loans secured by collaterals				
Including: Mortgage loans	124,628	98,889	122,928	97,489
Pledged loans	82,651	43,629	82,562	43,533
Accrued interest	1,945	N/A	1,934	N/A
Total loans and advances to customers	650,290	554,856	645,754	550,254



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## 11 Loans and advances to customers (Cont'd)

### (5) Overdue period analysis of overdue loans

31 December 2021					
The Group	Overdue within 3 months	Overdue for 3 months to 1 year	Overdue for 1 to 3 years	Overdue for more than 3 years	Total
Unsecured loans	816	507	30	-	1,353
Secured loans	1,463	2,616	2,583	47	6,709
Loans secured by collaterals					
Including: Mortgage loans	2,263	2,538	2,329	70	7,200
Pledged loans	948	973	468	-	2,389
Total	5,490	6,634	5,410	117	17,651
31 December 2020					
The Group	Overdue within 3 months	Overdue for 3 months to 1 year	Overdue for 1 to 3 years	Overdue for more than 3 years	Total
Unsecured loans	144	153	79	24	400
Secured loans	2,031	2,411	3,548	167	8,157
Loans secured by collaterals					
Including: Mortgage loans	1,207	1,740	1,902	1,478	6,327
Pledged loans	583	183	448	-	1,214
Total	3,965	4,487	5,977	1,669	16,098

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 11 Loans and advances to customers (Cont'd)

### (5) Overdue period analysis of overdue loans (Cont'd)

The Bank	31 December 2021				
	Overdue within 3 months	Overdue for 3 months to 1 year	Overdue for 1 to 3 years	Overdue for more than 3 years	Total
Unsecured loans	816	506	30	-	1,352
Secured loans	1,430	2,614	2,563	47	6,654
Loans secured by collaterals					
Including: Mortgage loans	2,229	2,527	2,315	61	7,132
Pledged loans	948	973	468	-	2,389
Total	5,423	6,620	5,376	108	17,527

The Bank	31 December 2020				
	Overdue within 3 months	Overdue for 3 months to 1 year	Overdue for 1 to 3 years	Overdue for more than 3 years	Total
Unsecured loans	135	130	46	-	311
Secured loans	2,012	2,409	3,542	165	8,128
Loans secured by collaterals					
Including: Mortgage loans	1,172	1,736	1,883	1,432	6,223
Pledged loans	583	183	448	-	1,214
Total	3,902	4,458	5,919	1,597	15,876

Overdue loans refer to the loans with either principal or interest being overdue for more than one day.

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## 12 Quasi-credit debt assets

Quasi-credit debt assets are assets formed by the Bank's provision of credit funds to borrowers through trust schemes or asset management schemes and direct investment in debt financing schemes issued by debtors on the Beijing Financial Assets Exchange. The Group manages the credit risk of such assets by reference to loans and advances to customers.

The borrowers of the Group's quasi-credit debt assets are all enterprises.

### (1) Analysed by measurement method

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Quasi-credit debt assets at amortised cost					
- Trust schemes		39,363	39,578	-	-
- Asset management schemes		10,198	10,388	-	-
- Debt financing schemes		59,210	40,890	59,210	40,890
Sub-total		108,771	90,856	59,210	40,890
Accrued interest		1,380	N/A	1,285	N/A
Total		110,151	90,856	60,495	40,890
Provision for impairment	25	(14,734)	(11,322)	(481)	(419)
Net book value		95,417	79,534	60,014	40,471

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## 12 Quasi-credit debt assets (Cont'd)

### (2) Analysed by assessment method for the ECL of quasi-credit debt assets

The Group	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Total quasi-credit debt assets at amortised cost	71,480	7,223	30,068	108,771
Provision for impairment	(444)	(885)	(13,405)	(14,734)
Net book value	71,036	6,338	16,663	94,037

The Bank	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Total quasi-credit debt assets at amortised cost	58,310	900	-	59,210
Provision for impairment	(347)	(134)	-	(481)
Net book value	57,963	766	-	58,729

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## 12 Quasi-credit debt assets (Cont'd)

(2) Analysed by assessment method for the ECL of quasi-credit debt assets (Cont'd)

The Group	Quasi-credit debt assets for which loss provisions are collectively assessed	31 December 2020		
		Impaired quasi-credit debt assets Loss provisions Collectively assessed	Loss provisions Individually assessed	Sub-total
Total quasi-credit debt assets	67,907	133	22,816	90,856
Provision for impairment	(1,075)	(82)	(10,165)	(11,322)
Net book value	66,832	51	12,651	79,534

The Bank	Quasi-credit debt assets for which loss provisions are collectively assessed	31 December 2020		
		Impaired quasi-credit debt assets Loss provisions Collectively assessed	Loss provisions Individually assessed	Sub-total
Total quasi-credit debt assets	40,890	-	-	40,890
Provision for impairment	(419)	-	-	(419)
Net book value	40,471	-	-	40,471

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## 12 Quasi-credit debt assets (Cont'd)

### (3) Movements in loss provisions for quasi-credit debt assets

The Group	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
1 January 2021	508	909	10,496	11,913
Transfer:				
To stage 1	-	-	-	-
To stage 2	(12)	12	-	-
To stage 3	-	(141)	141	-
New originated or purchased financial assets	141	-	4,832	4,973
Transfer-out/Return in the current period	(41)	-	(1,320)	(1,361)
Remeasurement	(152)	105	3,610	3,563
Write-off in the current period	-	-	(4,465)	(4,465)
Written-off loans recovered for the year	-	-	111	111
31 December 2021	444	885	13,405	14,734

The Bank	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
1 January 2021	361	-	-	361
Transfer:				
To stage 1	-	-	-	-
To stage 2	(9)	9	-	-
To stage 3	-	-	-	-
New originated or purchased financial assets	141	-	-	141
Transfer-out/ Return in the current period	(7)	-	-	(7)
Remeasurement	(139)	125	-	(14)
31 December 2021	347	134	-	481



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## 12 Quasi-credit debt assets (Cont'd)

### (4) Analysed by type of collateral

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Unsecured	47,740	37,778	40,553	28,800
Secured	29,564	19,469	18,043	11,510
Secured by collateral				
Including: Mortgage	15,467	19,622	614	580
Pledged	16,000	13,987	-	-
Accrued interest	1,380	N/A	1,285	N/A
Total	110,151	90,856	60,495	40,890

### (5) Overdue period analysis of overdue quasi-credit debt assets

31 December 2021					
The Group	Overdue within 3 months	Overdue for 3 months to 1 year	Overdue for 1 to 3 years	Overdue for more than 3 years	Total
Unsecured	-	16	-	1,490	1,506
Secured	-	-	6,257	683	6,940
Secured by collateral					
Including: Mortgage	605	349	1,623	5,143	7,720
Pledged	-	-	6,959	7,393	14,352
Total	605	365	14,839	14,709	30,518

31 December 2020					
The Group	Overdue within 3 months	Overdue for 3 months to 1 year	Overdue for 1 to 3 years	Overdue for more than 3 years	Total
Unsecured	-	-	-	350	350
Secured	-	1,067	1,501	207	2,775
Secured by collateral					
Including: Mortgage	1,244	430	2,302	5,308	9,284
Pledged	-	225	7,641	3,700	11,566
Total	1,244	1,722	11,444	9,565	23,975

As at 31 December 2021, all quasi-credit debt assets of the Bank were not overdue (2020: the same).

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## 13 Financial investments

The Group and the Bank	Note	31 December 2021
Financial assets at fair value through profit or loss	(1)	81,822
Financial assets at amortized cost	(2)	152,594
Financial assets at fair value through other comprehensive income-debt instruments	(3)	73,284
Financial assets designated at fair value through other comprehensive income		66
Total		307,766

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

The Group and the Bank	31 December 2021
Held for trading purpose	
Bonds	
- Enterprises	7,172
- Government	2,653
- Banks and non-bank financial institutions	897
- Policy banks	639
Sub-total	11,361
Other financial assets at fair value through profit or loss	
Investment funds	69,073
Trust and asset management schemes	1,140
Equity instruments	248
Sub-total	70,461
Total	81,822

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### 13 Financial investments (Cont'd)

#### (2) Financial assets at amortized cost

The Group and the Bank	31 December 2021
Bonds	
- Government	109,351
- Enterprises	17,579
- Policy banks	16,111
- Banks and non-bank financial institutions	3,300
Sub-total	146,341
Trust and asset management schemes	4,749
Accrued interest	2,023
Provision for impairment	(519)
Total	152,594

The Group and the Bank	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
1 January 2021	260	6	884	1,150
Transfer:				
To stage 1	6	(6)	-	-
To stage 2	-	-	-	-
To stage 3	-	-	-	-
New originated or purchased financial assets	43	-	-	43
Financial assets derecognised in the current period	(40)	-	-	(40)
Write-off in the current period	-	-	(533)	(533)
Remeasurement	(101)	-	-	(101)
31 December 2021	168	-	351	519

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## 13 Financial investments (Cont'd)

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

The Group and the Bank	31 December 2021
Bonds	
- Government	54,528
- Enterprises	11,581
- Banks and non-bank financial institutions	4,556
- Policy banks	1,690
Accrued interest	929
Total	73,284
The Group and the Bank	31 December 2021
Cost/Amortised cost	73,490
Changes in fair value accumulated in other comprehensive income	(206)
Fair value	73,284
Provision for impairment	(861)

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### 13 Financial investments (Cont'd)

#### (3) Financial assets at fair value through other comprehensive income (Cont'd)

The Group and the Bank	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
1 January 2021	79	-	943	1,022
Transfer:				
To stage 1	-	-	-	-
To stage 2	-	-	-	-
To stage 3	(5)	-	5	-
New originated or purchased financial assets	71	-	-	71
Financial assets derecognised in the current period	(23)	-	(40)	(63)
Write-off in the current period	-	-	(489)	(489)
Remeasurement	(8)	-	328	320
31 December 2021	114	-	747	861

As at 31 December 2021, the carrying amount of financial assets at fair value through other comprehensive income that were subject to credit impairment was RMB 191 million, and the balance of the provision for credit losses was RMB 747 million.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 14 Financial assets at fair value through profit or loss

The Group and the Bank	31 December 2020
Financial assets at fair value through profit or loss	
- Government bonds	892
- Policy bank bonds	1,418
- Enterprise bonds	16,114
- Fund investments	2,208
Total	20,632

## 15 Available-for-sale financial assets

The Group and the Bank	31 December 2020
Measured at fair value:	
- Bonds	
- Government bonds	48,874
- Enterprise bonds	19,780
- Financial institution bonds (Note)	17,766
Sub-total	86,420
- Fund investments	63,098
- Interbank deposits	840
- Equity instruments	95
- Asset management schemes	-
Sub-total	150,453
Measured at cost:	
- Equity instruments	121
Total	150,574

Note: Available-for-sale financial institution bonds of, RMB 337 million, include embedded credit default swaps with a fair value of RMB 5.66 million. The investment was expired in 2021 and would not be renewed.



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## 15 Available-for-sale financial assets (Cont'd)

### (1) Available-for-sale financial assets at fair value

The Group and the Bank Classification of available- for-sale financial assets	31 December 2020		
	Available-for-sale equity instruments and fund investments	Available-for-sale debt instruments	Total
Cost/Amortised cost	63,295	88,325	151,620
Changes in fair value			
Accumulated in other comprehensive income	(94)	(617)	(711)
Provision for impairment	(9)	(447)	(456)
Fair value	63,192	87,261	150,453

### (2) Changes in the provision for impairment of available-for-sale financial assets during the reporting period

The Group and the Bank Classification of available- for-sale financial assets	31 December 2020		
	Equity instruments and fund investments	Available-for-sale debt instruments	Total
Provision for impairment at the beginning of the year	107	210	317
Increase in the current year			
- Transfer from other comprehensive income	21	237	258
Provision for impairment at the end of the year	128	447	575

## 16 Held-to-maturity investments

The Group and the Bank	Note	31 December 2020
Government bonds		84,335
Financial institution bonds		19,607
Enterprise bonds		401
Asset-backed securities		40
Sub-total		104,383
Provision for impairment	25	(17)
Total		104,366

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#### 17 Investments classified as receivables

The Group and the Bank	31 December 2020
Asset management schemes - senior tranche	3,474
Trust investment schemes	2,247
Enterprise bonds	1,344
Income certificates	203
Sub-total	7,268
Provision for impairment	(1,477)
Total	5,791

#### 18 Investments in subsidiaries

The Bank	Note	31 December 2021	31 December 2020
Investment in subsidiaries	(1)	511	297
Provision for impairment	(2)	(265)	(51)
Net book value		246	246

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### 18 Investments in subsidiaries (Cont'd)

#### (1) Investment in subsidiaries:

The main subsidiaries of the Group as at 31 December 2021 were as follows:

Name of entity	Place of registration	Date of establishment	Nature of business	Registered capital RMB'000	Direct shareholding (%)	Voting rights (%)
Guangan Hengfeng Rural Bank Co., Ltd. ("Guangan Rural Bank") (Note)	Sichuan	December 2010	Commercial banking	200,000	40%	40%
Chongqing Yunyang Hengfeng Rural Bank Co., Ltd. ("Chongqing Yunyang Rural Bank")	Chongqing	December 2010	Commercial banking	80,000	51%	51%
Chongqing Jiangbei Hengfeng Rural Bank Co., Ltd. ("Chongqing Jiangbei Rural Bank")	Chongqing	March 2011	Commercial banking	313,840	84%	84%
Yangzhong Hengfeng Rural Bank Co., Ltd. ("Yangzhong Rural Bank")	Jiangsu	September 2011	Commercial banking	110,000	51%	51%
Zhejiang Tonglu Hengfeng Rural Bank Co., Ltd. ("Tonglu Rural Bank")	Zhejiang	September 2011	Commercial banking	200,000	40%	40%

Note: In February 2021, the Chongqing Office of China Banking and Insurance Regulatory Commission and Liangjiang Branch of China Banking and Insurance Regulatory Commission approved the Bank's subscription of 213.84 million additional shares in Chongqing Jiangbei Rural Bank. The Bank completed a capital injection in March 2021, and the registered capital of Chongqing Jiangbei Rural Bank was changed from RMB 100 million to RMB 314 million. After the change of shareholding, the Bank held 264.84 million shares in Chongqing Jiangbei Rural Bank, representing a shareholding of 84.39%.

#### (2) Allowance for impairment of investments in subsidiaries:

As at 31 December 2021, the Bank made a full impairment allowance of RMB 265 million (31 December 2020: RMB 51 million) for investment costs in Chongqing Jiangbei Rural Bank based on the fact that it had been in a significant loss position as at 30 June 2021.

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## 19 Investments in consolidated structured entities

The consolidated structured entities are mainly asset management schemes and fund trust schemes held and controlled by the Bank, whose underlying investment assets are credit assets. Among the investments in consolidated structured entities as at 31 December 2021, the cost of assets was RMB 49,561 million, the provision for impairment was RMB 14,253 million, and the carrying amount was RMB 35,308 million (31 December 2020, the cost of assets was RMB 50,324 million, the provision for impairment was RMB 10,961 million, and the carrying amount was RMB 39,363 million).

### (1) Analysed by assessment on provision for impairment of investments in consolidated structured entities

The Bank	31 December 2021			
	Stage 1	Stage 2	Stage 3	Sub-total
Total	13,170	6,323	30,068	49,561
Provision for impairment	(97)	(751)	(13,405)	(14,253)
Net book value	13,073	5,572	16,663	35,308

The Bank	31 December 2020			
	Loss provisions collectively assessed	Loss provisions Collectively assessed	Loss provisions Individually assessed	Sub-total
Total	27,263	245	22,816	50,324
Provision for impairment	(656)	(140)	(10,165)	(10,961)
Net book value	26,607	105	12,651	39,363

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## 20 Fixed assets

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Fixed assets	7,894	7,998	7,827	7,951
Disposal of fixed assets	6	-	6	-
Total	7,900	7,998	7,833	7,951

The Group	Buildings	Electronic office equipment and others	Motor vehicles	Construction in progress	Total
<b>Cost</b>					
As at 1 January 2021	10,403	1,988	203	418	13,012
Additions	212	273	14	1,172	1,671
Transfer in/(out)	37	-	-	(1,125)	(1,088)
Deductions	-	(67)	(19)	-	(86)
As at 31 December 2021	10,652	2,194	198	465	13,509
<b>Accumulated depreciation</b>					
As at 1 January 2021	(3,088)	(1,639)	(179)	-	(4,906)
Additions	(506)	(149)	(23)	-	(678)
Deductions	-	59	18	-	77
As at 31 December 2021	(3,594)	(1,729)	(184)	-	(5,507)
<b>Allowance for impairment losses</b>					
As at 1 January 2021	-	-	-	(108)	(108)
Movements in the current year	-	-	-	-	-
As at 31 December 2021	-	-	-	(108)	(108)
<b>Carrying amount</b>					
As at 1 January 2021	7,315	349	24	310	7,998
As at 31 December 2021	7,058	465	14	357	7,894

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## 20 Fixed assets (Cont'd)

The Group (Cont'd)	Buildings	Electronic office equipment and others	Motor vehicles	Construction in progress	Total
<b>Cost</b>					
As at 1 January 2020	10,331	1,902	275	412	12,920
Additions	92	131	1	38	262
Deductions	(20)	(45)	(73)	(32)	(170)
As at 31 December 2020	10,403	1,988	203	418	13,012
<b>Accumulated depreciation</b>					
As at 1 January 2020	(2,583)	(1,528)	(234)	-	(4,345)
Additions	(520)	(159)	(18)	-	(697)
Deductions	15	48	73	-	136
As at 31 December 2020	(3,088)	(1,639)	(179)	-	(4,906)
<b>Allowance for impairment losses</b>					
As at 1 January 2020	-	-	-	(108)	(108)
Movements in the current year	-	-	-	-	-
As at 31 December 2020	-	-	-	(108)	(108)
<b>Carrying amount</b>					
As at 1 January 2020	7,748	374	41	304	8,467
As at 31 December 2020	7,315	349	24	310	7,998



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## 20 Fixed assets (Cont'd)

The Bank	Buildings	Electronic office equipment and others	Motor vehicles	Construction in progress	Total
<b>Cost</b>					
As at 1 January 2021	10,350	1,959	197	412	12,918
Additions	210	266	14	1,150	1,640
Transfer in/(out)	37	-	-	(1,125)	(1,088)
Deductions	-	(60)	(19)	-	(79)
As at 31 December 2021	10,597	2,165	192	437	13,391
<b>Accumulated depreciation</b>					
As at 1 January 2021	(3,069)	(1,616)	(174)	-	(4,859)
Additions	(503)	(144)	(22)	-	(669)
Deductions	-	54	18	-	72
As at 31 December 2021	(3,572)	(1,706)	(178)	-	(5,456)
<b>Allowance for impairment losses</b>					
As at 1 January 2021	-	-	-	(108)	(108)
Movements in the current year	-	-	-	-	-
As at 31 December 2021	-	-	-	(108)	(108)
<b>Carrying amount</b>					
As at 1 January 2021	7,281	343	23	304	7,951
As at 31 December 2021	7,025	459	14	329	7,827

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## 20 Fixed assets (Cont'd)

The Bank (Cont'd)	Buildings	Electronic office equipment and others	Motor vehicles	Construction in progress	Total
<b>Cost</b>					
As at 1 January 2020	10,278	1,872	268	406	12,824
Additions	92	131	1	38	262
Deductions	(20)	(44)	(72)	(32)	(168)
As at 31 December 2020	10,350	1,959	197	412	12,918
<b>Accumulated depreciation</b>					
As at 1 January 2020	(2,566)	(1,506)	(228)	-	(4,300)
Additions	(518)	(157)	(17)	-	(692)
Deductions	15	47	71	-	133
As at 31 December 2020	(3,069)	(1,616)	(174)	-	(4,859)
<b>Allowance for impairment losses</b>					
As at 1 January 2020	-	-	-	(108)	(108)
Movements in the current year	-	-	-	-	-
As at 31 December 2020	-	-	-	(108)	(108)
<b>Carrying amount</b>					
As at 1 January 2020	7,712	366	40	298	8,416
As at 31 December 2020	7,281	343	23	304	7,951

As at 31 December 2021, the Group had buildings with a carrying amount of RMB 688 million (31 December 2020: RMB 1,057 million), and was completing the formalities for property ownership certificates. Management of the Group believed that there were no substantive legal barriers to the use of the above buildings for related business activities, and there would be no significant adverse impact on the Group's operating results and financial position.

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## 21 Right-of-use assets

	The Group Buildings	The Bank Buildings
<b>Cost</b>		
As at 31 December 2020	-	-
Changes in accounting policies	2,121	2,082
As at 1 January 2021	2,121	2,082
Additions	989	989
Deductions	(428)	(428)
As at 31 December 2021	2,682	2,643
<b>Accumulated depreciation</b>		
As at 31 December 2020	-	-
Changes in accounting policies	-	-
As at 1 January 2021	-	-
Additions	(561)	(552)
Deductions	53	53
As at 31 December 2021	(508)	(499)
<b>Carrying amount</b>		
As at 1 January 2021	2,121	2,082
As at 31 December 2021	2,174	2,144

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## 22 Intangible assets

The Group	Land use rights	Software and others	Total
<b>Cost</b>			
As at 1 January 2021	44	1,565	1,609
Additions	-	52	52
Transfer-in from construction in progress	-	1,088	1,088
Deductions	-	(397)	(397)
As at 31 December 2021	44	2,308	2,352
<b>Accumulated amortisation</b>			
As at 1 January 2021	(6)	(1,164)	(1,170)
Additions	(1)	(391)	(392)
Deductions	-	397	397
As at 31 December 2021	(7)	(1,158)	(1,165)
<b>Carrying amount</b>			
As at 1 January 2021	38	401	439
As at 31 December 2021	37	1,150	1,187

The Group	Land use rights	Software and others	Total
<b>Cost</b>			
As at 1 January 2020	44	1,273	1,317
Additions	-	292	292
As at 31 December 2020	44	1,565	1,609
<b>Accumulated amortisation</b>			
As at 1 January 2020	(5)	(858)	(863)
Additions	(1)	(306)	(307)
As at 31 December 2020	(6)	(1,164)	(1,170)
<b>Carrying amount</b>			
As at 1 January 2020	39	415	454
As at 31 December 2020	38	401	439

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## 22 Intangible assets (Cont'd)

The Bank	Land use rights	Software and others	Total
<b>Cost</b>			
As at 1 January 2021	35	1,564	1,599
Additions	-	52	52
Transfer-in from construction in progress	-	1,088	1,088
Deductions	-	(397)	(397)
As at 31 December 2021	35	2,307	2,342
<b>Accumulated amortisation</b>			
As at 1 January 2021	(6)	(1,163)	(1,169)
Additions	(1)	(391)	(392)
Deductions	-	397	397
As at 31 December 2021	(7)	(1,157)	(1,164)
<b>Carrying amount</b>			
As at 1 January 2021	29	401	430
As at 31 December 2021	28	1,150	1,178

The Bank	Land use rights	Software and others	Total
<b>Cost</b>			
As at 1 January 2020	35	1,272	1,307
Additions	-	292	292
As at 31 December 2020	35	1,564	1,599
<b>Accumulated amortisation</b>			
As at 1 January 2020	(5)	(858)	(863)
Additions	(1)	(305)	(306)
As at 31 December 2020	(6)	(1,163)	(1,169)
<b>Carrying amount</b>			
As at 1 January 2020	30	414	444
As at 31 December 2020	29	401	430

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 23 Deferred income tax

The Group	31 December 2021	31 December 2020
Deferred tax assets	27,872	27,422
Deferred tax liabilities	(146)	(125)
Net book value	27,726	27,297

The Bank	31 December 2021	31 December 2020
Deferred tax assets	27,854	27,346
Deferred tax liabilities	(146)	(125)
Net book value	27,708	27,221

### (1) Analysis by nature

The Group	31 December 2021		31 December 2020	
	Deductible/ (Taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (Taxable) temporary differences	Deferred tax assets/ (liabilities)
<b>Deferred tax assets</b>				
- Asset impairment losses	65,392	16,348	52,391	13,097
- Tax losses	38,964	9,741	51,946	12,987
- Changes in fair value	2,181	545	2,291	573
- Expected litigation losses	1,674	419	1,649	412
- Accrued payroll	1,414	353	840	210
- Others	1,863	466	572	143
Sub-total	111,488	27,872	109,689	27,422
<b>Deferred tax liabilities</b>				
- Changes in fair value	(586)	(146)	(501)	(125)
<b>Total</b>	<b>110,902</b>	<b>27,726</b>	<b>109,188</b>	<b>27,297</b>



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## 23 Deferred income tax (Cont'd)

### (1) Analysis by nature (Cont'd)

The Bank	31 December 2021		31 December 2020	
	Deductible/ (Taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (Taxable) temporary differences	Deferred tax assets/ (liabilities)
<b>Deferred tax assets</b>				
- Asset impairment losses	65,321	16,330	52,087	13,021
- Tax losses	38,964	9,741	51,946	12,987
- Changes in fair value	2,181	545	2,291	573
- Expected litigation losses	1,674	419	1,649	412
- Accrued payroll	1,414	353	840	210
- Others	1,863	466	572	143
<b>Sub-total</b>	<b>111,417</b>	<b>27,854</b>	<b>109,385</b>	<b>27,346</b>
<b>Deferred tax liabilities</b>				
- Changes in fair value	(586)	(146)	(501)	(125)
<b>Total</b>	<b>110,831</b>	<b>27,708</b>	<b>108,884</b>	<b>27,221</b>

The Bank incurred tax losses due to the transfer and disposal of major assets in 2019, and the tax losses shall be offset within the limit of taxable income of the Bank for five consecutive years, starting from 2020.

As at 31 December 2021, the Bank estimated future taxable income based on the current economic environment and the actual operation of the Bank, and recognised deferred tax assets of RMB 9,741 million arising from tax losses to the extent that estimated taxable income by the end of 2024 would be RMB 38,964 million.

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 23 Deferred income tax (Cont'd)

### (2) Movements of deferred income tax

The Group	31 December 2021	31 December 2020
Opening balance	27,297	25,331
Changes in accounting policies	325	-
Deferred income tax recognised in the income statement	16	1,189
Deferred income tax recognised in other comprehensive income	88	777
Ending balance	27,726	27,297

The Bank	31 December 2021	31 December 2020
Opening balance	27,221	25,280
Changes in accounting policies	325	-
Deferred income tax recognised in the income statement	74	1,164
Deferred income tax recognised in other comprehensive income	88	777
Ending balance	27,708	27,221

## Notes to the Financial Statements

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 24 Other assets

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Clearing and settlement accounts		1,150	3,325	1,150	3,325
Foreclosed assets (Note (1))		1,004	1,055	1,004	1,055
Advances to suppliers		792	963	789	955
Prepaid expenses		629	773	623	765
Other receivables		966	1,743	966	1,922
Interest receivable		405	N/A	404	N/A
Sub-total		4,946	7,859	4,936	8,022
Allowance for impairment losses	25	(1,089)	(1,258)	(1,089)	(1,471)
- Allowance for impairment of foreclosed assets		(320)	(189)	(320)	(189)
- Allowance for impairment of interest receivable		(303)	N/A	(303)	N/A
- Allowance for impairment of other receivables		(466)	(1,069)	(466)	(1,282)
Net book value		3,857	6,601	3,847	6,551

### (1) Foreclosed assets

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Land and buildings	1,004	1,055	1,004	1,055
Allowance for impairment losses	(320)	(189)	(320)	(189)
Net book value	684	866	684	866

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 25 Movements of allowances for impairment losses

The Group	Note	2021				
		Book balance as at 1 January 2021	Net provision/ (reversal) in the current year	Write-off/ Transfer- out in the current year	Transfer- in in the current year and others	Book balance at the end of the year
Deposits with banks and other financial institutions	7	90	(29)	-	-	61
Placements with banks and other financial institutions	8	67	83	-	-	150
Financial assets held under resale agreements	9	45	24	-	-	69
Loans and advances to customers	11	23,035	5,059	(8,721)	1,508	20,881
Quasi-credit debt assets	12	11,913	3,639	(4,465)	3,647	14,734
Financial assets at fair value through other comprehensive income-debt instruments	13	1,022	328	(489)	-	861
Financial assets at amortized cost	13	1,150	(98)	(533)	-	519
Fixed assets	20	108	-	-	-	108
Off-balance sheet		1,105	(246)	-	-	859
Other assets	24	1,258	(502)	(602)	935	1,089
Total		39,793	8,258	(14,810)	6,090	39,331

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## 25 Movements of allowances for impairment losses (Cont'd)

The Group (Cont'd)	Note	2020				
		Book balance at the beginning of the year	Net provision/ (reversal) in the current year	Write-off/ Transfer-out in the current year	Transfer-in in the current year and others	Book balance at the end of the year
Deposits with banks and other financial institutions	7	6	-	-	-	6
Placements with banks and other financial institutions	8	18	(2)	-	-	16
Interest receivable	10	471	608	(360)	-	719
Loans and advances to customers	11	18,083	7,295	(3,351)	280	22,307
Quasi-credit debt assets	12	10,983	491	(2,880)	2,728	11,322
Available-for-sale financial assets	15	317	258	-	-	575
Held-to-maturity investments	16	-	17	-	-	17
Investments classified as receivables	17	1,985	(109)	-	(399)	1,477
Fixed assets	20	108	-	-	-	108
Other assets	24	1,205	53	-	-	1,258
Total		33,176	8,611	(6,591)	2,609	37,805

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 25 Movements of allowances for impairment losses (Cont'd)

The Bank	Note	Book balance as at 1 January 2021	Net provision/ (reversal) in the current year	2021 Write-off/ Transfer-out in the current year	Transfer-in in the current year and others	Book balance at the end of the year
Deposits with banks and other financial institutions	7	127	(66)	-	-	61
Placements with banks and other financial institutions	8	67	83	-	-	150
Financial assets held under resale agreements	9	45	24	-	-	69
Loans and advances to customers	11	22,654	5,015	(8,531)	1,594	20,732
Quasi-credit debt assets	12	361	120	-	-	481
Investments in consolidated structured entities	19	11,610	3,519	(4,465)	3,589	14,253
Financial assets at fair value through other comprehensive income-debt instruments	13	1,022	328	(489)	-	861
Financial assets at amortized cost	13	1,150	(98)	(533)	-	519
Investments in subsidiaries	18	51	-	-	214	265
Fixed assets	20	108	-	-	-	108
Off-balance sheet		1,105	(246)	-	-	859
Other assets	24	1,471	(502)	(602)	722	1,089
Total		39,771	8,177	(14,620)	6,119	39,447



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## 25 Movements of allowances for impairment losses (Cont'd)

The Bank (Cont'd)	Note	2020				
		Book balance at the beginning of the year	Net provision/ (reversal) in the current year	Write-off/ Transfer-out in the current year	Transfer-in in the current year and others	Book balance at the end of the year
Deposits with banks and other financial institutions	7	6	37	-	-	43
Placements with banks and other financial institutions	8	18	(2)	-	-	16
Interest receivable	10	51	610	-	-	661
Loans and advances to customers	11	17,718	7,004	(3,125)	362	21,959
Quasi-credit debt assets	12	-	419	-	-	419
Investments in consolidated structured entities	19	11,403	70	(3,240)	2,728	10,961
Available-for-sale financial assets	15	317	258	-	-	575
Held-to-maturity investments	16	-	17	-	-	17
Investments classified as receivables	17	1,985	(109)	-	(399)	1,477
Investments in subsidiaries	18	51	-	-	-	51
Fixed assets	20	108	-	-	-	108
Other assets	24	1,418	53	-	-	1,471
Total		33,075	8,357	(6,365)	2,691	37,758

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 26 Borrowings from the Central Bank

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Borrowings from the Central Bank	64,000	22,100	64,000	22,100
Re-lending	391	480	-	-
Interest payable	772	N/A	772	N/A
Total	65,163	22,580	64,772	22,100

## 27 Deposits from banks and other financial institutions

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Mainland China				
- Banks	79,843	59,196	81,441	60,926
- Non-bank financial institutions	68,385	124,033	68,385	124,034
Accrued interest	997	N/A	997	N/A
Total	149,225	183,229	150,823	184,960

## 28 Placements from banks and other financial institutions

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Mainland China				
- Banks	5,858	4,801	5,858	4,801
Accrued interest	9	N/A	9	N/A
Total	5,867	4,801	5,867	4,801

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## 29 Financial liabilities at fair value through profit or loss

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Lease of precious metals	692	356	692	356

## 30 Financial assets sold under repurchase agreements

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Debt securities	66,107	95,526	66,107	95,526
Bills	382	367	382	367
Accrued interest	34	N/A	34	N/A
Total	66,523	95,893	66,523	95,893

The Group's assets held as collateral under repurchase agreements are disclosed in Note 56.

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 31 Deposits from customers

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Demand deposits				
- Corporate customers	261,515	225,035	259,968	223,377
- Individual customers	21,627	12,297	21,392	12,117
Sub-total	283,142	237,332	281,360	235,494
Time deposits (including call deposits)				
- Corporate customers	217,365	210,850	216,534	210,024
- Individual customers	116,619	110,838	114,682	109,270
Sub-total	333,984	321,688	331,216	319,294
Guarantee deposits	52,468	44,093	52,083	43,660
Outward remittance and remittances outstanding	269	1,445	256	1,435
Sub-total	52,737	45,538	52,339	45,095
Accrued interest	7,514	N/A	7,418	N/A
Total	677,377	604,558	672,333	599,883

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### 32 Accrued staff costs

The Group	Note	31 December 2020	Increase in the current year	Decrease in the current year	31 December 2021
Wages and salaries, bonus, allowances and subsidies		3,523	3,753	(3,699)	3,577
Staff welfare		1	184	(184)	1
Social security contributions					
Including: Maternity and medical insurance		4	246	(248)	2
Work injury insurance		-	4	(4)	-
Housing funds		7	267	(271)	3
Labour union funds and employee education funds		19	93	(101)	11
Others		1	-	(1)	-
Sub-total		3,555	4,547	(4,508)	3,594
Defined contribution plans					
Including: Basic pensions		19	291	(297)	13
Enterprise annuity (including occupational annuity)		-	319	(319)	-
Unemployment insurance		1	12	(12)	1
One-time benefits beyond overall planning	(1)	152	-	(8)	144
Sub-total		172	622	(636)	158
Total		3,727	5,169	(5,144)	3,752

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

### 32 Accrued staff costs (Cont'd)

The Group (Cont'd)	Note	31 December 2020	Increase in the current year	Decrease in the current year	31 December 2021
Wages and salaries, bonus, allowances and subsidies		2,723	3,827	(3,027)	3,523
Staff welfare		2	190	(191)	1
Social security contributions					
Including: Medical insurance		3	147	(147)	3
Work injury insurance		-	2	(2)	-
Maternity insurance		1	3	(3)	1
Housing funds		5	238	(236)	7
Labour union funds and employee education funds		14	96	(91)	19
Others		1	-	-	1
Sub-total		2,749	4,503	(3,697)	3,555
Defined contribution plans					
Including: Basic pensions		5	153	(139)	19
Unemployment insurance		2	7	(8)	1
One-time benefits beyond overall planning	(1)	152	-	-	152
Sub-total		159	160	(147)	172
Total		2,908	4,663	(3,844)	3,727



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### 32 Accrued staff costs (Cont'd)

The Bank	Note	31 December 2020	Increase in the current year	Decrease in the current year	31 December 2021
Wages and salaries, bonus, allowances and subsidies		3,488	3,682	(3,635)	3,535
Staff welfare		1	181	(181)	1
Social security contributions					
Including: Maternity and medical insurance		4	235	(238)	1
Work injury insurance		-	4	(4)	-
Housing funds		7	262	(266)	3
Labour union funds and employee education funds		19	92	(100)	11
Sub-total		3,519	4,456	(4,424)	3,551
Defined contribution plans					
Including: Basic pensions		19	291	(298)	12
Enterprise annuity (including occupational annuity)		-	319	(319)	-
Unemployment insurance		1	11	(11)	1
One-time benefits beyond overall planning	(1)	152	-	(8)	144
Sub-total		172	621	(636)	157
Total		3,691	5,077	(5,060)	3,708

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

### 32 Accrued staff costs (Cont'd)

The Bank (Cont'd)	Note	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Wages and salaries, bonus, allowances and subsidies		2,703	3,751	(2,966)	3,488
Staff welfare		2	187	(188)	1
Social security contributions					
Including: Medical insurance		3	142	(142)	3
Work injury insurance		-	2	(2)	-
Maternity insurance		1	3	(3)	1
Housing funds		5	233	(231)	7
Labour union funds and employee education funds		14	94	(89)	19
Sub-total		2,728	4,412	(3,621)	3,519
Defined contribution plans					
Including: Basic pensions		3	153	(137)	19
Unemployment insurance		1	7	(7)	1
One-time benefits beyond overall planning	(1)	152	-	-	152
Sub-total		156	160	(144)	172
Total		2,884	4,572	(3,765)	3,691

(1) The one-time benefits beyond overall planning refer to the one-time expenses beyond overall planning accrued by the Bank for eligible retired employees as at 31 December 2019 in accordance with relevant regulations of the local human resources and social security department. The related expenses are paid in accordance with regulations and the Bank no longer bears any expenses other than overall planning after the payment. The estimation of related expenses takes into account the average life expectancy of the population in the city where the employees are located and the benefits they are entitled to according to relevant government regulations.

**NOTES TO THE FINANCIAL STATEMENTS  
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### 33 Taxes payable

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
VAT and surcharges	529	537	525	534
Enterprise income tax payable	8	5	-	-
Others	86	51	85	50
Total	623	593	610	584

### 34 Interest payable

	31 December 2020	
	The Group	The Bank
Deposits from customers	6,682	6,619
Deposits from banks and other financial institutions	1,080	1,078
Borrowings from the Central Bank	421	421
Financial assets sold under repurchase agreements	95	95
Others	1	-
Total	8,279	8,213

### 35 Provisions

		The Group and the Bank	
	Note	31 December 2021	31 December 2020
Expected litigation losses and others		1,675	1,651
Expected losses of guarantees and commitments	(1)	859	746
Total		2,534	2,397

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(All amounts in RMB million unless otherwise stated)

## 35 Provisions (Cont'd)

### (1) Provisions - Movements in expected credit losses of off-balance-sheet items

The Group and the Bank	2021			
	Stage 1	Stage 2	Stage 3	Total
1 January 2021	410	544	151	1,105
Transfer:				
To stage 1	47	(47)	-	-
To stage 2	(2)	2	-	-
To stage 3	-	-	-	-
Increase in the current period	794	-	-	794
Due in the current period	(381)	(521)	(151)	(1,053)
Remeasurement	(190)	183	20	13
31 December 2021	678	161	20	859

## 36 Lease liabilities

	2021	
	The Group	The Bank
Net present value of lease payments	1,964	1,938
Interest adjustment	30	29
Total	1,994	1,967

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### 37 Debt securities issued

	The Group and the Bank	
	31 December 2021	31 December 2020
Issuance of interbank deposits	121,167	75,985

As at 31 December 2021, the original term of unmaturing interbank deposits ranged from one month to one year, and the annual interest rate ranged from 2.42% to 3.30% (31 December 2020: from 1.80% to 3.50%).

### 38 Other liabilities

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Other payables	2,595	768	2,552	747
Clearing and settlement accounts	1,175	518	1,175	518
Advances from customers	595	134	595	134
Dormant accounts	172	134	172	133
Wealth management funds payable	-	4,746	-	4,746
Payables for payments collected on behalf of other parties	8	10	8	10
Dividends payable	2	-	-	-
Deposit insurance payables	107	103	107	103
Total	4,654	6,413	4,609	6,391

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 39 Share capital, other equity instruments and capital reserve

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Shares held by domestic corporate shareholders		107,874	107,874	107,874	107,874
Shares held by overseas corporate shareholders		3,336	3,336	3,336	3,336
Share capital	(1)	111,210	111,210	111,210	111,210
Perpetual bonds	(2)	22,995	14,998	22,995	14,998
Capital reserve - Share premium		11,090	11,199	11,199	11,199

(1) For the increase in share capital during the period from 14 August 2008 to 31 December 2018, the Bank found that some shareholders had violations during the previous special verification of share capital and shareholders, but such violations did not affect the determination of the amount of the Bank's share capital. Rectification and clean-up surrounding non-compliant shareholders will be carried out on an ongoing basis.

(2) On 20 November 2020 and 9 July 2021, the Bank issued a total of RMB 15 billion and RMB 8 billion of write-down undated capital bonds respectively. The unit par value of the bonds is RMB 100, and the coupon rates for the first five years are 4.95% and 4.75% respectively. The coupon rate is adjusted every five years and is determined based on the benchmark interest rate (i.e. the arithmetic mean value of the five-year maturity yields on the ChinaBond Government Bond yield curve issued by ChinaBond.com.cn (or other websites recognised by China Central Depository & Clearing Co., Ltd.) on the 5 transaction days before the announcement date of the subscription documents of the current bonds or the adjustment date of the benchmark interest rate (exclusive)) on the adjustment date of the benchmark interest rate (i.e. the last day of every five years as from the closing date of issuance payment) plus the fixed interest spread determined at the time of issuance pricing (i.e. the coupon rate determined at the time of issuance of the current bonds less the benchmark interest rate at the time of issuance of the current bonds). If the benchmark interest rate is not available at the adjustment date, the subsequent benchmark interest rate or its determination principle will be determined by the issuer and investors in accordance with regulatory requirements.

The duration of the bonds is consistent with that of the Bank's continuing operation. After 5 years from the date of issuance, the Bank shall be entitled to redeem all or portion of the bonds on the annual interest payment date under the premise that it has met the preconditions of redemption and obtained the approval of the CBIRC.



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 39 Share capital, other equity instruments and capital reserve (Cont'd)

When the write-down trigger conditions are met, the Bank shall be entitled to write down portion or all of the principal of the bonds without the consent of the bondholders. The principal of the bonds is repaid after the depositors, general creditors and subordinated debts that have precedence over them, and before all classes of shares held by the Bank's shareholders. The bonds are repaid in the same sequence as other tier 1 capital instruments with the same repayment precedence.

The above-mentioned bonds are accounted for using the non-cumulative interest payment method, and the Bank has the right to cancel portion or all of the dividend distribution for the bonds without constituting an event of default. The Bank can freely use the cancelled bond interest to repay other due debts. The cancellation of all or portion of dividend distribution for these bonds does not constitute any other restriction on the issuer except for the restriction on the distribution of dividends of ordinary shares.

The bonds without fixed terms issued by the Bank are classified as equity instruments and presented in shareholders' equity in the consolidated balance sheet. Based on relevant regulations of the CBIRC, the bonds without fixed terms meet all the criteria of other tier 1 capital.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 40 Other comprehensive income

The Group and the Bank	Other comprehensive income in the balance sheet					Other comprehensive income in 2021				
	As at 31 December 2020	Changes in accounting policies	As at 1 January 2021	Attributable to the Bank after tax	As at 31 December 2021	Amount incurred before income tax for the current period	Less: Reclassification of previous other comprehensive income to profit or loss	Add: Income tax expenses	Attributable to the Bank's shareholders after tax	Attributable to minority interests after tax
<b>Other comprehensive income that may be subsequently reclassified to profit or loss</b>										
- Fair value changes on available-for-sale financial assets	(507)	507	-	-	-	-	-	-	-	-
- Fair value changes on financial assets at fair value through other comprehensive income	-	(3)	(3)	(143)	(146)	(15)	(176)	48	(143)	-
- Impairment allowance on financial assets at fair value through other comprehensive income	-	974	974	(122)	852	(162)	-	40	(122)	-
<b>Total</b>	<b>(507)</b>	<b>1,478</b>	<b>971</b>	<b>(265)</b>	<b>706</b>	<b>(177)</b>	<b>(176)</b>	<b>88</b>	<b>(265)</b>	<b>-</b>

The Group and the Bank	Other comprehensive income in the balance sheet				Other comprehensive income in 2020			
	As at 1 January 2020	Attributable to the Bank after tax	As at 31 December 2020	Amount incurred before income tax for the current period	Less: Reclassification of previous other comprehensive income to profit or loss	Less: Income tax expenses	Attributable to the Bank's shareholders after tax	Attributable to minority interests after tax
Other comprehensive income that will be subsequently reclassified to profit or loss								
- Changes in fair value of available- for-sale financial assets	1,580	(2,087)	(507)	463	(3,327)	777	(2,087)	-
Total	1,580	(2,087)	(507)	463	(3,327)	777	(2,087)	-

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## 41 Surplus reserve

Pursuant to the *Company Law of the People's Republic of China* and the Bank's Articles of Association, the Bank shall appropriate 10% of the profits to statutory reserve before distributing the profits after tax for the current year. The Bank can cease appropriation when the statutory reserve accumulates to more than 50% of the Bank's registered capital. According to regulations, if statutory reserve is insufficient to make up for the losses from previous years, the profits for the year shall be used to make up for the losses before appropriating statutory reserve.

Therefore, the Bank's profits for the year were all used to make up for the losses from previous years, and no statutory surplus reserve was appropriated for the year.

## 42 General reserve

	The Group		The Bank	
	2021	2020	2021	2020
As at 1 January	11,951	11,950	11,889	11,889
Appropriation to general reserve	4	1	-	-
As at 31 December	11,955	11,951	11,889	11,889

The Bank and its subsidiaries appropriated general reserve in accordance with *Requirements on Impairment Allowance for Financial Institutions* issued by the Ministry of Finance on 30 March 2012, according to which the balance of general reserve should not be less than 1.5% of the ending balance of risk assets. All of the Bank's profits for the year should be used to make up for the losses from prior years and no general reserve was appropriated. Yangzhong Rural Bank, a subsidiary of the Bank, appropriated general reserve in accordance with relevant requirements.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

### 43 Undistributed profits

	The Group		The Bank	
	2021	2020	2021	2020
Undistributed profits at the end of the previous year	(43,980)	(49,289)	(44,263)	(49,650)
Add: Changes in accounting policies	(2,465)	N/A	(2,465)	N/A
Undistributed profits at the beginning of the year	(46,445)	(49,289)	(46,728)	(49,650)
Add : Net profit for the current period	6,381	5,310	6,423	5,387
Less: Appropriation to discretionary surplus reserve	-	-	-	-
Appropriation to general reserve	(4)	(1)	-	-
Dividend distribution to other equity instruments holders	(743)	N/A	(743)	N/A
Undistributed profits at the end of the year	(40,811)	(43,980)	(41,048)	(44,263)

## Notes to the Financial Statements

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

#### 44 Net interest income

		The Group		The Bank	
	Note	2021	2020	2021	2020
Interest income					
Loans and advances to customers and quasi-credit debt assets		33,695	29,545	33,407	29,272
- Corporate loans		23,094	21,774	22,915	21,610
- Personal loans		4,765	2,027	4,656	1,918
- Discounted notes		1,211	1,552	1,211	1,552
- Quasi-credit debt assets		4,625	4,192	4,625	4,192
Financial Investments		7,051	6,994	7,051	6,994
- Financial assets at fair value through profit or loss		N/A	429	N/A	429
- Financial assets at amortized cost		4,859	-	4,859	-
- Financial assets at fair value through other comprehensive income		2,192	-	2,192	-
- Available-for-sale financial assets		N/A	2,943	N/A	2,943
- Held-to-maturity investments		N/A	3,366	N/A	3,366
- Investments classified as receivables		N/A	256	N/A	256
Deposits with the Central Bank		922	891	917	885
Placements with banks and other financial institutions		666	437	666	437
Financial assets held under resale agreements		643	1,208	643	1,208
Deposits with banks and other financial institutions		74	159	77	168
Sub-total	(1)	43,051	39,234	42,761	38,964
Interest expenses					
Deposits from customers		(15,691)	(13,993)	(15,585)	(13,899)
Deposits from banks and other financial institutions		(4,822)	(4,794)	(4,855)	(4,827)
Debt securities issued		(2,749)	(2,128)	(2,749)	(2,128)
Financial assets sold under repurchase agreements		(1,058)	(767)	(1,058)	(767)
Borrowings from the Central Bank		(1,020)	(1,790)	(1,013)	(1,782)
Placements from banks and other financial institutions and others		(52)	(113)	(48)	(113)
Sub-total		(25,392)	(23,585)	(25,308)	(23,516)
Net interest income		17,659	15,649	17,453	15,448

(1) In 2021, the interest on impaired financial assets of the Group and the Bank was RMB 845 million (2020: RMB 660 million)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

#### 45 Net fee and commission income

	The Group		The Bank	
	2021	2020	2021	2020
<b>Fee and commission income</b>				
Agency and fiduciary business	2,171	1,468	2,171	1,467
Asset custody business	240	288	240	288
Guarantee and commitment business	263	249	263	249
Settlement and clearing business	121	147	121	147
Bank card business	98	74	98	74
Advisory and consulting business	194	67	194	67
Others	7	13	7	12
Sub-total	3,094	2,306	3,094	2,304
Fee and commission expenses	(257)	(191)	(257)	(190)
Net fee and commission income	2,837	2,115	2,837	2,114

#### 46 Investment income

	The Group		The Bank	
	2021	2020	2021	2020
Financial investments at fair value through profit or loss	1,676	N/A	1,676	N/A
Financial investments at fair value through other comprehensive income	426	N/A	426	N/A
Financial assets at fair value through profit or loss	N/A	(42)	N/A	(42)
Available-for-sale financial assets	N/A	3,208	N/A	3,208
Proceeds from the transfer of notes	306	322	306	322
Profits or losses on resale of forfeiting	30	69	30	69
Precious metals	6	(215)	6	(215)
Others	-	68	4	79
Total	2,444	3,410	2,448	3,421



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## 47 Gains/(Losses) on changes in fair value

	The Group		The Bank	
	2021	2020	2021	2020
Financial investments at fair value through profit or loss	916	N/A	916	N/A
Financial assets at fair value through profit or loss	N/A	(483)	N/A	(483)
Precious metals	(6)	212	(6)	212
<b>Total</b>	<b>910</b>	<b>(271)</b>	<b>910</b>	<b>(271)</b>

## 48 General and administrative expenses

	The Group		The Bank	
	2021	2020	2021	2020
<b>Staff costs</b>				
- Short-term staff costs	4,547	4,503	4,456	4,412
Including: Wages and salaries, bonus, allowances and subsidies	3,753	3,827	3,682	3,751
Staff welfare	184	190	181	187
Social security contributions	250	152	239	147
Housing funds	267	238	262	233
Labour union funds and employee education funds	93	96	92	94
- Defined contribution plans	622	160	621	160
Sub-total	5,169	4,663	5,077	4,572
Operating expenses (Note (1))	1,905	2,327	1,873	2,291
- Basic operating expenses	1,256	1,100	1,236	1,077
- Rental and property management fee	225	884	221	874
- Business development fee	424	343	416	340
Depreciation and amortisation	1,882	1,310	1,864	1,302
<b>Total</b>	<b>8,956</b>	<b>8,300</b>	<b>8,814</b>	<b>8,165</b>

(1) Pursuant to the *House Lease Contract on Leasing Greentown Financial Centre* signed by the Bank, Jiefang Road Sub-district Office of the People's Government of Lixia District, Jinan City, Shandong Province and Jinan Chengling Commercial Operation Management Co., Ltd. in 2018, the Bank was allowed to use the office building of Greentown Financial Centre in Jinan City, Shandong Province free of charge for the period from 1 December 2018 to 30 November 2021, and the rental was paid by the Jinan Municipal People's Government on schedule, and the total amount for three years was RMB 243 million. The Bank offset the government grants against related office rental expenses. In 2021, the Bank's income resulting from rental exemption was RMB 74.32 million (2020: RMB 81.46 million).

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 49 Impairment losses

	The Group 2021	The Bank 2021
<b>Credit impairment losses</b>		
Loans and advances to customers	5,059	5,015
Quasi-credit debt assets	3,639	120
Consolidated structured entities	-	3,519
Deposits with banks and other financial institutions	(29)	(66)
Placements with banks and other financial institutions	83	83
Financial assets held under resale agreements	24	24
Financial assets at fair value through other comprehensive income-debt instruments	328	328
Financial assets at amortized cost	(98)	(98)
Off-balance-sheet business	(246)	(246)
Others	(633)	(847)
Impairment losses on other assets	131	345
Total	8,258	8,177
	The Group 2020	The Bank 2020
<b>Impairment losses on assets</b>		
Loans and advances to customers	7,295	7,004
Provisions	(122)	(122)
Quasi-credit debt assets	491	419
Consolidated structured entities	-	70
Deposits with banks and other financial institutions	-	37
Placements with banks and other financial institutions	(2)	(2)
Financial assets held under resale agreements	-	-
Interest receivable	608	610
Investments classified as receivables	(109)	(109)
Available-for-sale financial assets	258	258
Held-to-maturity investment assets	17	17
Others	53	53
Total	8,489	8,235

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## 50 Income tax expenses

### (1) Income tax expenses

	Note	The Group		The Bank	
		2021	2020	2021	2020
Current income tax		7	517	1	502
Deferred income tax	23	(16)	(1,189)	(74)	(1,164)
Total		(9)	(672)	(73)	(662)

### (2) The relationship between income tax expenses and accounting profits

	The Group		The Bank	
	2021	2020	2021	2020
Profit before tax	6,339	4,531	6,350	4,725
Income tax expenses calculated at applicable tax rates	1,585	1,133	1,587	1,181
Add: Effect of non-deductible expenses	91	86	91	48
Less: Effect of income not subject to tax	(1,828)	(1,830)	(1,828)	(1,830)
Add/Less: Others	143	(61)	77	(61)
Total	(9)	(672)	(73)	(662)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 51 Supplementary information to the cash flow statement

### (1) Reconciliation from net profit to cash flows from operating activities

	The Group		The Bank	
	2021	2020	2021	2020
Net profit	6,348	5,203	6,423	5,387
Add: Impairment losses on assets	8,258	8,489	8,177	8,235
Depreciation of fixed assets and amortisation of intangible assets and long-term prepaid expenses	1,905	1,310	2,670	1,302
Investment income	(2,444)	(3,410)	(2,448)	(3,421)
Net gains or losses on fair value changes	(910)	271	(910)	271
Foreign exchange gains or losses	(26)	10	(26)	10
Gains or losses on disposals of assets	14	(23)	14	(22)
Interest income from bond investments	(7,051)	(6,994)	(7,051)	(6,994)
Interest expenses on debt securities issued	2,749	2,128	2,749	2,128
Increase in deferred tax assets	(429)	(1,189)	(487)	(1,163)
(Increase)/Decrease in operating receivables	(95,901)	(127,946)	(94,427)	(129,230)
Increase/(Decrease) in operating payables	50,795	41,593	49,562	41,448
Net cash flows from operating activities	(36,692)	(80,558)	(35,754)	(82,049)

### (2) Cash and cash equivalents

	The Group		The Bank	
	2021	2020	2021	2020
Cash	831	823	814	807
Cash equivalents				
Surplus deposit reserve with the Central Bank	19,901	27,817	19,778	27,720
Due within three months from the date of acquisition				
- Deposits with banks and other financial institutions	8,441	14,605	8,401	13,590
- Placements with banks and other financial institutions	4,726	60	4,726	60
- Financial assets held under resale agreements	29,106	64,774	29,106	64,774
- Bond investments and interbank deposits	-	100	-	100
Total cash and cash equivalents	63,005	108,179	62,825	107,051

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(All amounts in RMB million unless otherwise stated)

## 52 Capital adequacy ratio

The Bank's capital management aims to meet regulatory requirements, continuously improve the risk resistance of capital, and enhance capital returns. On this basis, the Bank determines its capital adequacy ratio and relies on plan assessment, limit management and other means to realise management targets and ensure that the capital adequacy ratio meets the regulatory requirements, as well as requirements for credit rating, risk compensation and shareholder returns, and promotes the Bank's risk management to ensure the orderly expansion of assets and improve business structure and operating model.

The Group adopts scenario simulation, stress testing and other means to forecast, plan and manage capital adequacy ratios based on strategic development planning, business expansion, trend of risk changes and other factors.

The Group calculates the capital adequacy ratio pursuant to the *Administrative Measures for the Capital of Commercial Banks (for Trial Implementation)* and other relevant regulations issued by the CBIRC. For non-systemically important banks, the CBIRC requires that the common equity tier 1 capital adequacy ratio shall not be less than 7.50%, tier 1 capital adequacy ratio shall not be less than 8.50%, and the capital adequacy ratio shall not be less than 10.50%. The CBIRC requires commercial banks to meet the relevant requirements stipulated in the *Capital Management Measures* by the end of 2018.

The Group measures the capital adequacy ratio in accordance with the *Administrative Measures for the Capital of Commercial Banks (for Trial Implementation)* issued by the CBIRC and other relevant regulations. In accordance with the requirements, credit risk-weighted assets were measured using the weighting method, market risk-weighted assets were measured using the standard method, and operational risk-weighted assets were measured using the basic indicator method during the reporting period.

The common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio calculated as required are as follows:

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 52 Capital adequacy ratio (Cont'd)

The Group	31 December 2021
Common equity tier 1 capital adequacy ratio	8.67%
Tier 1 capital adequacy ratio	11.36%
Capital adequacy ratio	12.11%
Capital base components	
Common equity tier 1 capital:	
Share capital	111,210
Capital reserve	11,090
Surplus reserve	-
General reserve	11,955
Undistributed profits	(40,811)
The portion of minority interests recognisable	168
Others	661
Total common equity tier 1 capital	94,273
Adjustment items of common equity tier 1 capital:	
Net deferred tax assets relying on future profitability and arising from operating losses	9,741
Net amount of other intangible assets (excluding land use rights) after deducting related deferred tax liabilities	1,150
Total threshold deduction items	9,647
Total of other items that should be deducted from common equity tier 1 capital	(662)
Net common equity tier 1 capital	74,397
Other tier 1 capital	23,018
Net tier 1 capital	97,415
Tier 2 capital:	
Excess loan loss provision	7,105
The portion of minority interests recognisable	44
Total deduction of tier 2 capital	662
Net capital	103,902
Total risk-weighted assets	857,648

As at 31 December 2021 and 31 December 2020, the Group's other tier 1 capital comprised the perpetual bonds (Note 39) issued by the Bank and the portion of minority interests recognisable.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

### 53 Related parties and related party transactions

#### (1) The parent company

Prior to the capital injection of strategic investors on 30 December 2019, no shareholder had control over the Bank. After this, the percentages of shareholding and voting rights in the Bank held by Central Huijin were respectively 53.95%, making it the parent company of the Bank.

##### (a) General information of the parent company

	Place of registration	Nature of business
Central Huijin	Beijing	Subject to authorisation from the State Council, making equity investments in key state-owned financial enterprises; other business approved by the State Council.

##### (b) Registered capital and changes in registered capital of the parent company

	31 December 2020	Increase in the current year	Decrease in the current year	31 December 2021
Central Huijin	RMB 828,209 million	-	-	RMB 828,209 million

##### (c) The percentages of shareholding and voting rights in the Bank held by the parent company

	31 December 2021		31 December 2020	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
Central Huijin	53.95%	53.95%	53.95%	53.95%

#### (2) Subsidiaries

The general information and other related information of subsidiaries are set out in Note 18.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 53 Related parties and related party transactions (Cont'd)

### (3) Nature of major related parties that do not control/are not controlled by the Bank

	Relationship with the Group
Shandong Financial Asset Management Co., Ltd.	Shareholder with shareholding of 32.37% in the Bank
United Overseas Bank Limited	Shareholder with significant influence on the Group
Nanshan Group Co., Ltd.	Shareholder with significant influence on the Group
China Development Bank	A subsidiary of the parent company
Industrial and Commercial Bank of China Limited	A subsidiary of the parent company
Agricultural Bank of China Limited	A subsidiary of the parent company
Bank of China Limited	A subsidiary of the parent company
China Construction Bank Corporation	A subsidiary of the parent company
China Everbright Group Ltd.	A subsidiary of the parent company
China Export & Credit Insurance Corporation	A subsidiary of the parent company
China Reinsurance (Group) Corporation	A subsidiary of the parent company
New China Life Insurance Company Ltd.	A subsidiary of the parent company
China Jianyin Investment Ltd.	A subsidiary of the parent company
China Galaxy Financial Holdings Company Limited	A subsidiary of the parent company
Shenwan Hongyuan Group Co., Ltd.	A subsidiary of the parent company
China International Capital Corporation Limited	A subsidiary of the parent company
China Securities Co., Ltd.	A subsidiary of the parent company
China Galaxy Asset Management Co., Ltd.	A subsidiary of the parent company
Guotai Junan Investment Management Co., Ltd.	A subsidiary of the parent company

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## 53 Related parties and related party transactions (Cont'd)

### (4) Related party transactions

The transactions between the Group and related parties mainly include loans and advances, trading of bonds, money market transactions, interbank settlement, asset transfer, etc. These transactions are priced based on market prices and are concluded under normal commercial terms.

#### (a) Transactions with the parent company and its subsidiaries

Balance of significant transactions on the balance sheet date	31 December 2021		31 December 2020	
	The parent company	Subsidiaries of the parent company	The parent company	Subsidiaries of the parent company
<b>Assets</b>				
Deposits with banks and other financial institutions	-	3,743	-	8,553
Financial investments	200	16,644	200	17,739
Financial assets held under resale agreements	-	7,850	-	7,146
Loans and advances to customers	-	1,734	-	629
Quasi-credit debt assets	-	400	-	871
<b>Liabilities</b>				
Deposits from banks and other financial institutions	-	23,989	-	24,242
Financial assets sold under repurchase agreements	-	16,390	-	14,919
Deposits from customers	-	350	-	1

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 53 Related parties and related party transactions (Cont'd)

### (4) Related party transactions (Cont'd)

#### (a) Transactions with the parent company and its subsidiaries (Cont'd)

Interest rate range	31 December 2021	
	The parent company	Subsidiaries of the parent company
<b>Assets</b>		
Deposits with banks and other financial institutions		
- RMB	-	0.30%-2.00%
- Foreign currency	-	-0.78%-0.05%
Financial investments	4.05%	1.86%-4.80%
Financial assets held under resale agreements	-	2.11%-2.13%
Loans and advances to customers	-	2.52%-5.70%
Quasi-credit debt assets	-	5.66%-6.50%
<b>Liabilities</b>		
Deposits from banks and other financial institutions	-	0.42%-3.30%
Financial assets sold under repurchase agreements	-	2.20%-3.06%

Interest rate range	31 December 2020	
	The parent company	Subsidiaries of the parent company
<b>Assets</b>		
Deposits with banks and other financial institutions		
- RMB	-	0.30%-2.00%
- Foreign currency	-	0.0001%-0.05%
Financial investments	4.05%	1.27%-7.50%
Financial assets held under resale agreements	-	0.65%-4.50%
Loans and advances to customers	-	1.51%-5.00%
Quasi-credit debt assets	-	5.50%-6.50%
<b>Liabilities</b>		
Deposits from banks and other financial institutions	-	0.35%-3.55%
Financial assets sold under repurchase agreements	-	0.60%-3.02%
Deposits from customers	-	0.35%-3.00%

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## 53 Related parties and related party transactions (Cont'd)

### (4) Related party transactions (Cont'd)

#### (b) Related party transactions with Shandong Asset Management and its subsidiaries

Balance of significant transactions on the balance sheet date	31 December 2021		31 December 2020	
	Shandong Asset Management	Subsidiaries of Shandong Asset Management	Shandong Asset Management	Subsidiaries of Shandong Asset Management
<b>Assets</b>				
Loans and advances to customers	788	-	985	-
Quasi-credit debt assets	-	739	-	882
<b>Liabilities</b>				
Deposits from banks and other financial institutions	-	46	-	-
Deposits from customers	1,597	26	10,757	63
Other liabilities	43	-	95	-

Interest rate range	31 December 2021		31 December 2020	
	Shandong Asset Management	Subsidiaries of Shandong Asset Management	Shandong Asset Management	Subsidiaries of Shandong Asset Management
<b>Assets</b>				
Loans and advances to customers	3.85%	-	3.85%	-
Quasi-credit debt assets	-	5.66%-6.50%	-	5.73%-6.30%
<b>Liabilities</b>				
Deposits from banks and other financial institutions	-	0.72%	-	0.72%
Deposits from customers	0.35%-1.90%	0.35%-1.61%	0.35%-1.10%	0.35%-1.20%

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 53 Related parties and related party transactions (Cont'd)

### (4) Related party transactions (Cont'd)

#### (c) Other related parties

The transaction amount between the Group and other related parties in the relevant year and the balance of relevant transactions on the reporting date are as follows:

The Group	Other related parties and their subsidiaries	
	31 December 2021	31 December 2020
<b>Assets</b>		
Deposits with banks and other financial institutions	1	-
Loans and advances to customers	2,740	2,870
<b>Liabilities</b>		
Deposits from banks and other financial institutions	303	-
Placements from banks and other financial institutions	-	1,954
Deposits from customers	53	-

Interest rate range	31 December 2021	
	31 December 2021	31 December 2020
<b>Assets</b>		
Deposits with banks and other financial institutions	0.35%	0.35%
Loans and advances to customers	5.70%	5.70%
<b>Liabilities</b>		
Deposits from banks and other financial institutions	0.05% - 0.72%	-
Placements from banks and other financial institutions	-	0.80%-2.40%
Financial assets sold under repurchase agreements	-	2.02%
<b>Deposits from customers</b>		
- RMB	0.35%	0.35%
- Foreign currency	-	0.0001%-0.05%

The Group's interest income and expenses as a result of related party transactions in the relevant years were insignificant.



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## 53 Related parties and related party transactions (Cont'd)

### (4) Related party transactions (Cont'd)

#### *(d) Other shareholders*

Since November 2017, the Bank has checked the previous share capital and historical problems of shareholders, and found that some shareholders had violations, but such violations did not affect the determination of the Bank's share capital. Rectification and clean-up surrounding non-compliant shareholders will be carried out on an ongoing basis. As at 31 December 2021, the Bank had no other shareholders with a shareholding of more than 5%, except for Central Huijin and Shandong Asset Management.

### (5) Key management personnel

Key management personnel of the Group are those who have the authority and responsibility to plan, direct and control the activities of the Bank, directly or indirectly, including directors, supervisors and senior management.

The Group carries out normal banking transactions with key management personnel in the ordinary course of business. In 2021 and 2020, the Group's transactions and balances with key management personnel were insignificant.

## Evergrowing Bank Co., Limited 2021 Annual Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 54 Segment reporting

In 2021, the Group managed its business by geographical location.

Segment assets and liabilities and segment revenue and expenses are measured in accordance with the Group's accounting policies.

Segment revenue, expenses, assets and liabilities comprise amounts that are directly attributable to a segment and those that can be allocated to that segment on a reasonable basis. Segment assets and liabilities exclude deferred tax assets and liabilities. Segment revenue, expenses, assets and liabilities comprise the balances of internal transactions and internal transactions that must be offset in the preparation of the consolidated financial statements. Segment capital expenditures refer to the total cost for the year incurred by acquiring segment assets (including tangible and intangible assets) that are expected to be used for more than one year.

### *Geographical segments*

The Group's major operational activities are carried out in China, with branches and sub-branches in 14 provinces or municipalities directly under the central government across the country. The Bank's subsidiaries (5 rural banks) are registered in China.

When information is presented by geographical segment, operating income is classified based on the location of the branches that generate revenue. Segment assets and capital expenditures are classified according to the location of relevant assets.

For the purpose of management reporting, geographical segments are defined as:

- "Head Office": Head Office of Evergrowing Bank;
- "Yangtze River Delta": home to the following tier 1 branches and subsidiaries of the Group: Shanghai Branch, Nanjing Branch, Suzhou Branch, Hangzhou Branch, Ningbo Branch and Wenzhou Branch; and subsidiaries Yangzhong Rural Bank and Tonglu Rural Bank;
- "Pearl River Delta": home to the following tier 1 branches of the Group: Fuzhou Branch, Shenzhen Branch and Guangzhou Branch;
- "Bohai Rim": home to the following tier 1 branches of the Group: Beijing Branch, Jinan Branch, Yantai Branch and Qingdao Branch;
- "Central China": home to the following tier 1 branches of the Group: Zhengzhou Branch, Wuhan Branch and Changsha Branch;
- "Western China": home to the following tier 1 branches of the Group: Chengdu Branch, Chongqing Branch, Kunming Branch and Xi'an Branch; and subsidiaries Yunyang Evergrowing Villagebank, Guangan Rural Bank and Jiangbei Hengfeng Town Bank.

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## 54 Segment reporting (Cont'd)

Geographical segments	Note	Head Office	2021					Elimination	Sub-total
			Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China		
1. Revenue		6,935	5,466	492	5,894	1,215	3,877	-	23,879
Net interest income		2,814	4,854	449	5,293	982	3,267	-	17,659
Net external interest income/(expense)		7,308	4,775	357	892	916	3,411	-	17,659
Net internal interest income/(expense)		(4,494)	79	92	4,401	66	(144)	-	-
Net fee and commission income		1,147	442	35	498	197	518	-	2,837
Other net income	(1)	2,974	170	8	103	36	92	-	3,383
2. Operating expenses		(7,130)	(2,994)	(290)	(3,264)	(1,158)	(2,790)	-	(17,626)
Credit impairment losses		(3,860)	(1,040)	8	(1,125)	(728)	(1,382)	-	(8,127)
Depreciation and amortisation		(872)	(288)	(55)	(350)	(88)	(229)	-	(1,882)
Others		(2,398)	(1,666)	(243)	(1,789)	(342)	(1,179)	-	(7,617)
3. Operating profit		(195)	2,472	202	2,630	57	1,087	-	6,253
Non-operating income		64	14	1	27	1	37	-	144
Non-operating expenses		6	(8)	-	(47)	(3)	(6)	-	(58)
4. Segment profit		(125)	2,478	203	2,610	55	1,118	-	6,339
Income tax expense									9
5. Net profit									6,348
Capital expenditures		1,455	20	3	15	220	10	-	1,723

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## 54 Segment reporting (Cont'd)

Geographical segments (Cont'd)	31 December 2021							Sub-total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Elimination	
Segment assets	586,470	268,672	32,926	281,730	53,951	123,488	(157,704)	1,189,533
Deferred tax assets								27,726
Total assets								1,217,259
Segment liabilities	498,507	265,671	32,929	283,753	54,036	122,133	(157,458)	1,099,571
Deferred tax liabilities								-
Total liabilities								1,099,571
Other supplementary information								
- Off-balance-sheet credit commitments	6,126	101,958	7,047	66,267	15,295	37,948	-	234,641

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## 54 Segment reporting (Cont'd)

Geographical segments (Cont'd)	Note	Head Office	Yangtze River Delta and Southeast China	Bohai Rim	2020			Sub-total
					Central China	Western China	Elimination	
1. Revenue		5,467	5,498	5,625	1,201	3,249	(12)	21,028
Net interest income		2,050	4,801	4,949	1,002	2,847	-	15,649
Net external interest income/ (expense)		9,222	3,977	(1,067)	937	2,580	-	15,649
Net internal interest income/ (expense)		(7,172)	824	6,016	65	267	-	-
Net fee and commission income		374	618	567	184	372	-	2,115
Other net income	(1)	3,043	79	109	15	30	(12)	3,264
2. Operating expenses		(6,377)	(3,320)	(4,085)	(688)	(2,713)	38	(17,145)
Impairment losses on assets		(3,133)	(1,340)	(2,232)	(345)	(1,477)	38	(8,489)
Depreciation and amortisation		(726)	(242)	(216)	(29)	(97)	-	(1,310)
Others		(2,518)	(1,738)	(1,637)	(314)	(1,139)	-	(7,346)
3. Operating profit		(910)	2,178	1,540	513	536	26	3,883
Non-operating income		363	21	17	6	42	-	449
Non-operating expenses		311	(4)	(96)	-	(12)	-	199
4. Segment profit		(236)	2,195	1,461	519	566	26	4,531
Income tax expense								672
5. Net profit								5,203
Capital expenditures		385	54	50	14	31	-	534

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 54 Segment reporting (Cont'd)

Geographical segments (Cont'd)	Head Office	Yangtze River Delta and Southeast China	31 December 2020				Sub-total
			Bohai Rim	Central China	Western China	Elimination	
Segment assets	541,037	289,447	326,031	54,504	143,021	(267,182)	1,086,858
Deferred tax assets							27,297
Total assets							1,114,155
Segment liabilities	463,728	288,803	326,031	54,504	142,932	(267,187)	1,008,811
Deferred tax liabilities							-
Total liabilities							1,008,811
Other supplementary information							
- Off-balance-sheet credit commitments	4,625	94,999	57,783	16,454	28,305	-	202,166

(1) Other net income includes investment income, net gains/(losses) on fair value changes, foreign exchange gains, other business income, gains/(losses) on disposals of assets and other income.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

### 55 Entrusted loans

The Group provides enterprises and individuals with entrusted loan services and entrusted housing fund mortgage loan services. All entrusted loans are granted according to the instructions or orders of such enterprises, individuals or the Housing Funds Management Centre, and the entrusted loans granted are all funded by the entrusted funds of such enterprises, individuals or the Housing Funds Management Centre.

The Group does not assume any credit risk arising from transactions related to the entrusted assets and liabilities and the entrusted housing fund mortgage loan services. Acting as the Entrustee, the Group holds and manages such assets and liabilities according to the instructions of the Entrustor, and charges fees for its services.

As the entrusted assets do not belong to the Group, they are not recognised in the balance sheet of the Group. Revenue from rendering of related services is recognised under the fee income in the income statement.

As at the balance sheet date, the entrusted assets and liabilities granted by the Group and the Bank were as follows:

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Entrusted loans	26,936	43,765	26,914	43,713
Entrusted funds	(26,936)	(43,765)	(26,914)	(43,713)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 56 Collaterals

### (1) Assets as collaterals

The carrying amounts of financial assets used as collaterals for repurchases, borrowings from the Central Bank and other businesses in the ordinary course of the Group's operating activities are listed below:

The Group and the Bank	31 December 2021	31 December 2020
Bonds	154,228	126,300
Discounted notes	382	367
Total	154,610	126,667

As at 31 December 2021, the carrying amount of the financial assets sold under repurchase agreements (Note 30) by the Group and the Bank was RMB 66.523 billion (31 December 2020: RMB 95.893 billion). All the repurchase agreements will mature within 12 months after the effective date.

Some of the repurchase transactions are under the specified-delivery repurchase agreements, in which the rights of the related collaterals have been transferred to counterparties. Please refer to Note 61 "Transfer of financial assets" for details.

### (2) Collaterals received

The Group receives bonds and notes as collaterals in relevant resale businesses, which is detailed in Note 9 "Financial assets held under resale agreements". As at 31 December 2021, the fair value of collaterals received by the Group in buyout resale transactions and could be sold or repledged without any default from the collateral owners amounted to RMB 0 (31 December 2020: RMB 11.661 billion), and the Group was obliged to return the collaterals on the agreed resale date. As at 31 December 2021 and 31 December 2020, the Group had no collaterals for resale or repledging.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 57 Risk management

This part mainly discloses the risks assumed by the Group, as well as its management and monitoring of the risks, especially the major risks arising from the use of financial instruments.

- **Credit risk** Credit risk represents the potential financial loss that may arise from the failure of a debtor or counterparty to meet its obligation or commitment to the Group.
- **Market risk** Market risk refers to the potential loss in both on-balance and off-balance-sheet businesses of the Group caused by adverse changes in market prices (interest rates, exchange rates, stock prices and goods prices).
- **Liquidity risk** Liquidity risk refers to the risk that the Group cannot obtain sufficient funds in time at a reasonable cost to repay debts when they are due, fulfil other payment obligations, or meet the other funding needs in regular business development.
- **Operational risk** Operational risk refers to the risk of loss caused by inadequate or failure of internal procedures, employees and information technology systems, as well as external events, including legal risk but excluding strategy risk and reputation risk.

In addition to formulating policies and procedures to identify and analyse aforesaid risks, the Group sets up appropriate risk limits and control mechanism, and applies reliable and updated management information system to monitor such risks and limits. The Group revises and strengthens its risk management policies and systems on a regular basis to make them in line with the recent changes in market and products, and learns from the best practices in risk management. The Internal Audit Department performs regular audit to ensure compliance with relevant policies and procedures.

### (1) Credit risk

#### Credit risk management

Credit risk refers to losses arising from the failure of debtors or counterparties to perform contractual obligations. Operational errors caused the Group to make unauthorised or improper granting of loans and advances, capital commitments or investments, which may also cause credit risks. The Group assumes credit risks mainly arising from the loans and advances granted by the Group, its capital operation business, and off-balance-sheet credit risk exposures.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

The Group implements standardised management over the entire credit business process involving credit investigation and declaration, credit review and approval, loan granting, post-loan monitoring and non-performing loan management. The Group comprehensively improves its credit risk management by strictly regulating the credit operation process, strengthening the management over the entire process of pre-loan investigation, credit rating, review and approval, loan granting review and post-loan monitoring, improving the risk mitigation effect of collateral, accelerating the settlement and disposal of non-performing loans, and promoting the upgrade and reconstruction of the credit management system.

The Group is exposed to credit risk arising not only from its credit assets, but also from its treasury business. The Group takes a series of measures to manage the risk arising from its treasury business, including prudently selecting banks and other financial institutions with adequate credit ratings as counterparties, balancing credit risks with investment yields, comprehensively referring to internal and external credit rating information, granting credit by grades, as well as reviewing and adjusting credit lines with timely credit line management system. Besides, the Group also provides customers with off-balance-sheet commitment and guarantee services, in which the Group may make payment for its customers and assume the risks similar to those of loans when the customers fail to fulfil the contractual obligations. Therefore, the Group applies risk control procedures and policies similar to those for credit business to mitigate such credit risks.

#### Measurement of ECLs

From 1 January 2021, according to the new financial instruments standards, the Group uses the “ECL model” to make provision for debt instrument financial assets at amortised cost and at fair value through other comprehensive income.

For financial assets that are subject to measurement of ECLs, the Group applies “three stage” impairment model to measure the loss provision and recognise the ECLs and their changes in assessing whether the credit risk on a financial asset has increased significantly since initial recognition.

Stage 1: A financial instrument with credit risk not increased significantly since initial recognition is classified into Stage 1, and the Group will continuously monitor its credit risk. The loss provision for 12-month ECLs is made for a financial instrument in Stage 1, and the amount is corresponding to a part of the lifetime ECLs resulting from possible default events over the next 12 months.

Stage 2: A financial instrument with credit risk increased significantly since initial recognition is classified into Stage 2, but are not deemed as a credit-impaired instrument. ECLs of a financial instrument in Stage 2 are measured at the lifetime ECLs.

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## **57 Risk management (Cont'd)**

### **(1) Credit risk (Cont'd)**

Stage 3: A financial instrument is transferred to Stage 3 if there is an obvious indication of impairment. ECLs of a financial instrument in Stage 3 are measured at the lifetime ECLs.

Purchased or originated credit-impaired financial assets refer to financial assets with credit impairment at the initial recognition. Loss provision of such assets represents the lifetime ECLs.

The Group tests financial assets for ECL impairment using the expected loss model and discounted cash flow model. The expected loss model is applicable for personal assets, corporate assets and investments in financial assets classified into Stage 1 and Stage 2, as well as interbank investments; and the discounted cash flow model is applicable for corporate assets and investments in financial assets classified into Stage 3.

When calculating the ECLs according to the new financial instruments standards, the Group applies the following key judgements and assumptions:

#### ***(a) Significant increase in credit risk***

In each balance sheet date, the Group assesses whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. When one or more of the quantitative or qualitative criteria or ceiling indicators are triggered, the Group considers that the credit risk of financial instruments has increased significantly.

The Group determines whether the credit risk of financial instruments has increased significantly since the initial recognition by setting quantitative and qualitative criteria and ceiling indicators, such as changes in default probability by the debtor and changes in credit risk classification. For example, for debts of debtor contract payment (including principal and interest) overdue for 30 days (exclusive) to 90 days (inclusive), the Group considers their credit risk has increased significantly and classifies them into Stage 2; for those overdue for over 90 days, the Group considers they are credit-impaired, and classifies them into Stage 3.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### *(b) Definition of credit-impaired assets*

Where an event or events that has/have adverse effect on the expected future cash flows of a financial asset occurs/occur, the financial asset becomes a credit-impaired financial asset. Evidence that a financial asset is impaired in credit includes the following observable information:

- significant financial difficulty of the issuer or debtor;
- a breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the financial difficulties of the debtor, the creditor gives concessions to the debtor in no other circumstances;
- it becomes probable that the debtor will enter bankruptcy or other debt restructuring;
- the disappearance of the active market for the financial asset caused by financial difficulties of the issuer or debtor;
- a financial asset purchased or originated at a substantial discount that reflects the fact of credit losses.

#### *(c) Parameters for the measurement of ECLs*

The Group measures the provision for impairment of different assets based on the 12-month ECLs or the lifetime ECLs by taking into consideration whether the credit risk has increased significantly and whether the credit impairment has occurred to the assets. Relevant definitions are as follows:

- Default probability refers to the likelihood that a borrower will be unable to meet its debt obligations in the next 12 months or throughout the remaining lifetime.
- Loss given default refers to the Group's expectation of the extent of the losses caused by exposure at default. Loss given default varies depending on the type of counterparty, the manner and priority of recourse, and the availability of collateral or other credit support. The default loss rate is the percentage of risk exposure loss at the time of default, and is calculated based on the next 12 months or the remaining lifetime.
- Exposure at default refers to the amount that should be repaid to the Group in the event of default in the next 12 months or throughout the remaining lifetime.



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## **57 Risk management (Cont'd)**

### **(1) Credit risk (Cont'd)**

#### ***(d) Forward-looking information***

Both the assessment of significant increases in credit risk and the calculation of ECLs involve forward-looking information. The Group identifies key economic indicators that affect the credit risk and ECLs of all asset portfolios based on historical data analysis, such as Gross Domestic Product (GDP), Consumer Price Index (CPI), M2 and Producer Price Index (PPI).

The impact of these economic indicators on default probability varies between different financial instruments. The Group forecasts and performs regression analysis on such economic indicators annually. During the process, the Group applies expert judgements, and determines the impact of these economic indicators on default probability and default exposure based on the expert judgements.

In addition to providing benchmark economic scenarios, the Group takes into account statistical analysis and expert judgements to determine other possible scenarios and their weights. The Group measures the related provision for impairment with weighted 12-month ECL (Stage 1) or weighted lifetime ECL (Stage 2 and Stage 3). The above weighted ECL is calculated by multiplying the ECL under each scenario by the weight of the corresponding scenario.

#### ***(e) Loss provision measured on a grouping basis***

The Group has classified exposures with similar risk characteristics when the provision for ECLs is made on a grouping basis. During the classification, the Group has obtained sufficient information to ensure the reliability for its statistics. The Group's non-retail assets are mainly grouped according to the scale and nature of borrowers, and the retail loans are mainly grouped based on the type of products.

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (i) Maximum credit exposure

Without taking into account available collateral or other credit enhancements, the Group's maximum credit exposure as at the balance sheet date referred to the net book value of each financial asset, less its provision for impairment. The amount of maximum credit exposure is as follows:

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deposits with the Central Bank	72,514	81,487	72,134	81,088
Deposits with banks and other financial institutions	9,948	15,472	9,917	15,718
Placements with banks and other financial institutions	29,149	8,316	29,149	8,316
Financial assets at fair value through profit or loss	N/A	20,632	N/A	20,632
Financial assets held under resale agreements	29,038	64,774	29,038	64,774
Interest receivable	N/A	5,851	N/A	5,535
Loans and advances to customers	629,683	532,549	625,296	528,295
Quasi-credit debt assets	95,417	79,534	60,014	40,471
Investments in consolidated structured				
Investments in entities	-	-	35,403	39,363
Investments in financial assets	307,452	N/A	307,452	N/A
- Financial assets held for trading	81,574	N/A	81,574	N/A
- Other debt investments	73,284	N/A	73,284	N/A
- Debt investments	152,594	N/A	152,594	N/A
Available-for-sale financial assets	N/A	150,358	N/A	150,358
Held-to-maturity investments	N/A	104,366	N/A	104,366
Investments classified as receivables	N/A	5,791	N/A	5,791
Other financial assets	2,683	5,701	2,673	5,700
Sub-total	1,175,884	1,074,831	1,171,076	1,070,407
Credit commitment risk exposure	234,641	202,166	234,259	201,723
Maximum credit exposure	1,410,525	1,276,997	1,405,335	1,272,130

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

*(ii) As at 31 December 2021, the major item lines of financial assets at amortised cost and financial assets at fair value through other comprehensive income were summarised by stages as follows:*

The Group	Book balance				Provision for expected credit impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Deposits with the Central Bank	72,514	-	-	72,514	-	-	-	-
Deposits with banks and other financial institutions	10,009	-	-	10,009	(61)	-	-	(61)
Placements with banks and other financial institutions	29,299	-	-	29,299	(150)	-	-	(150)
Financial assets held under resale agreements	29,107	-	-	29,107	(69)	-	-	(69)
Loans and advances to customers								
- Loans and advances to corporate customers	522,847	18,835	16,949	558,631	(4,220)	(3,609)	(10,930)	(18,759)
- Loans and advances to individuals	87,529	1,230	955	89,714	(1,168)	(260)	(694)	(2,122)
Quasi-credit debt assets	71,480	7,223	30,068	108,771	(444)	(885)	(13,045)	(14,374)
Financial investments	225,855	-	542	226,397	(282)	-	(1,098)	(1,380)
Off-balance-sheet credit commitments	232,375	2,176	90	234,641	(678)	(161)	(20)	(859)

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

(ii) As at 31 December 2021, the major item lines of financial assets at amortised cost and financial assets at fair value through other comprehensive income were summarised by stages as follows (Cont'd):

The Bank	Book balance				Provision for expected credit impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Deposits with the Central Bank	72,134	-	-	72,134	-	-	-	-
Deposits with banks and other financial institutions	9,978	-	-	9,978	(61)	-	-	(61)
Placements with banks and other financial institutions	29,299	-	-	29,299	(150)	-	-	(150)
Financial assets held under resale agreements	29,107	-	-	29,107	(69)	-	-	(69)
Loans and advances to customers								
- Loans and advances to corporate customers	520,213	18,739	16,905	555,857	(4,186)	(3,594)	(10,894)	(18,674)
- Loans and advances to individuals	85,850	1,186	927	87,963	(1,140)	(250)	(668)	(2,058)
Quasi-credit debt assets	58,310	900	-	59,210	(347)	(134)	-	(481)
Investments in consolidated structured entities	13,170	6,323	30,068	49,561	(96)	(752)	(13,405)	(14,253)
Financial investments	225,855	-	542	226,397	(282)	-	(1,098)	(1,380)
Off-balance-sheet credit commitments	231,993	2,176	90	234,259	(678)	(161)	(20)	(859)

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

(ii) *Loans and advances to customers, quasi-credit debt assets/investments in consolidated structured entities, deposits with the Central Bank and deposits with and loans to banks and other financial institutions, financial assets held under resale agreements, investments and investments classified as receivables are summarised by credit quality as follows:*

The Group	Note	31 December 2020					
		Loans and advances to customers	Quasi-credit debt assets	Deposits with the Central Bank and deposits with and loans to banks and other financial institutions	Financial assets held under resale agreements	Investments (Note)	Investments classified as receivables
Impaired							
Assessment on an individual basis							
Total		12,119	22,816	-	-	570	1,393
Loss provision		(7,935)	(10,165)	-	-	(447)	(1,389)
Net amount		4,184	12,651	-	-	123	4
Assessment on a grouping basis							
Total		2,716	133	-	-	-	-
Loss provision		(1,480)	(82)	-	-	-	-
Net amount		1,236	51	-	-	-	-
Overdue but not impaired	(a)						
Total		3,272	1,244	-	-	-	-
Including:							
Overdue for no more than 3 months		2,643	1,244	-	-	-	-
Overdue for 3 months to 1 year		629	-	-	-	-	-
Overdue for more than 1 year		-	-	-	-	-	-
Loss provision		(1,401)	(13)	-	-	-	-
Net amount		1,871	1,231	-	-	-	-
Neither overdue nor impaired							
Total		536,749	66,663	106,120	64,774	275,250	5,876
Loss provision		(11,491)	(1,062)	(22)	-	(17)	(89)
Net amount		525,258	65,601	106,098	64,774	275,233	5,787
Net book value of assets		532,549	79,534	106,098	64,774	275,356	5,791

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

(ii) *Loans and advances to customers, quasi-credit debt assets/investments in consolidated structured entities, deposits with the Central Bank and deposits with and loans to banks and other financial institutions, financial assets held under resale agreements, investments and investments classified as receivables are summarised by credit quality as follows (Cont'd):*

The Bank	Note	Loans and advances to customers	Quasi-credit debt assets	Investments in consolidated structured entities	31 December 2020 Deposits with the Central Bank and deposits with and loans to banks and other financial institutions	Financial assets held under resale agreements	Investments (Note)	Investments classified as receivables
<b>Impaired</b>								
Assessment on an individual basis								
Total		12,119	-	22,816	250	-	570	1,393
Loss provision		(7,935)	-	(10,165)	(37)	-	(447)	(1,389)
Net amount		4,184	-	12,651	213	-	123	4
Assessment on a grouping basis								
Total		2,460	-	245	-	-	-	-
Loss provision		(1,267)	-	(140)	-	-	-	-
Net amount		1,193	-	105	-	-	-	-
Overdue but not impaired	(a)							
Total		3,243	-	1,244	-	-	-	-
Including:								
Overdue for no more than 3 months		2,614	-	1,244	-	-	-	-
Overdue for 3 months to 1 year		629	-	-	-	-	-	-
Overdue for more than 1 year		-	-	-	-	-	-	-
Loss provision		(1,395)	-	(13)	-	-	-	-
Net amount		1,848	-	1,231	-	-	-	-
<b>Neither overdue nor impaired</b>								
Total		532,432	40,890	26,019	105,738	64,774	275,250	5,876
Loss provision		(11,362)	(419)	(643)	(22)	-	(17)	(89)
Net amount		521,070	40,471	25,376	105,716	64,774	275,233	5,787
Net book value of assets		528,295	40,471	39,363	105,929	64,774	275,356	5,791

Note: Investments include investments classified as financial assets held for trading, debt investments and other debt investments (31 December 2020: Investments include investments classified as financial assets at fair value through profit or loss, investments classified as financial assets held for trading, held-to-maturity investment assets and investments classified as receivables).



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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

*(ii) Loans and advances to customers, quasi-credit debt assets/investments in consolidated structured entities, deposits with the Central Bank and deposits with and loans to banks and other financial institutions, financial assets held under resale agreements, investments and investments classified as receivables are summarised by credit quality as follows (Cont'd):*

Note:

*(a) Collaterals and other credit enhancements of assets overdue but without credit impairment*

Loans and advances to customers	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Covered by collaterals	1,872	1,050	1,839	1,050
Not covered by collaterals	1,441	2,222	1,413	2,193
Total amount of assets overdue but without credit impairment	3,313	3,272	3,252	3,243

Quasi-credit debt assets	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Covered by collaterals	605	1,244	-	-
Not covered by collaterals	16	-	-	-
Total amount of assets overdue but without credit impairment	621	1,244	-	-

Investments in consolidated structured entities	The Bank	
	31 December 2021	31 December 2020
Covered by collaterals	605	1,244
Not covered by collaterals	16	-
Total amount of assets overdue but without credit impairment	621	1,244

The fair value of collaterals is determined by management based on adjustment to the latest available values (including externally estimated values) obtained based on current experience in disposal of collaterals and market conditions.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (iii) Loans and advances to customers analysed by industry:

The Group	31 December 2021			31 December 2020		
	Total loans	%	Loans secured by collaterals	Total loans	%	Loans secured by collaterals
Corporate loans						
- Water conservancy, environmental and other public facilities	115,253	17.7	18,662	101,995	18.4	12,567
- Leasing and commercial services	106,627	16.4	19,964	93,593	16.9	14,771
- Real estate	54,874	8.4	46,986	39,521	7.1	30,511
- Manufacturing	53,018	8.2	15,061	64,671	11.7	10,382
- Wholesale and retail	46,239	7.1	23,674	54,088	9.7	24,665
- Construction	45,571	7.0	14,039	48,911	8.8	11,718
- Transportation, storage and postal services	14,713	2.3	3,695	7,727	1.4	1,647
- Electric power, thermal power, fuel gas and water production and supply	11,981	1.8	2,762	11,243	2.0	1,671
- Finance	8,607	1.3	237	8,089	1.4	460
- Agriculture, forestry, animal husbandry and fishery	7,709	1.2	1,342	8,108	1.5	1,039
- Other customers	18,868	2.9	7,383	23,181	4.2	7,233
Sub-total	483,460	74.3	153,805	461,127	83.1	116,664
Personal loans	89,714	13.8	53,474	62,848	11.3	25,854
Discounted loans	75,171	11.6	-	30,881	5.6	-
Accrued interest	1,945	0.3	-	N/A	N/A	N/A
Total loans and advances to customers	650,290	100.0	207,279	554,856	100.0	142,518

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (iii) Loans and advances to customers analysed by industry (Cont'd):

The Bank	31 December 2021			31 December 2020		
	Total loans	%	Loans secured by collaterals	Total loans	%	Loans secured by collaterals
Corporate loans						
- Water conservancy, environmental and other public facilities	115,196	17.8	18,662	101,968	18.5	12,567
- Leasing and commercial services	106,414	16.5	19,941	93,380	17.0	14,743
- Real estate	54,874	8.5	46,985	39,521	7.2	30,511
- Manufacturing	51,969	8.1	14,731	63,681	11.6	10,079
- Wholesale and retail	45,607	7.1	23,408	53,356	9.7	24,307
- Construction	45,287	7.0	13,984	48,625	8.8	11,645
- Transportation, storage and postal services	14,638	2.3	3,685	7,662	1.4	1,638
- Electric power, thermal power, fuel gas and water production and supply	11,928	1.8	2,762	11,118	2.0	1,671
- Finance	8,607	1.3	237	8,089	1.5	460
- Agriculture, forestry, animal husbandry and fishery	7,459	1.2	1,236	7,841	1.4	886
- Other customers	18,707	2.9	7,347	22,970	4.2	7,605
Sub-total	480,686	74.5	152,978	458,211	83.3	116,112
Personal loans	87,963	13.6	52,512	61,162	11.1	24,910
Discounted loans	75,171	11.6	-	30,881	5.6	-
Accrued interest	1,934	0.3	-	N/A	N/A	N/A
Total loans and advances to customers	645,754	100.0	205,490	550,254	100.0	141,022

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB million unless otherwise stated)

## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (iv) Quasi-credit debt assets analysed by industry:

The Group	31 December 2021			31 December 2020		
	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals
Corporate quasi-credit debt assets						
- Leasing and commercial services	32,405	29.4	4,397	27,499	30.3	6,260
- Water conservancy, environmental and other public facilities	29,822	27.0	1,823	23,428	25.8	2,850
- Real estate	14,561	13.2	12,493	15,647	17.2	13,579
- Construction	10,169	9.2	2,606	10,432	11.5	3,165
- Wholesale and retail	8,539	7.8	5,248	6,902	7.6	5,722
- Manufacturing	4,475	4.1	2,748	1,286	1.4	179
- Transportation, storage and postal services	3,588	3.3	228	1,046	1.1	343
- Finance	1,430	1.3	-	1,255	1.4	-
- Electric power, thermal power, fuel gas and water production and supply	895	0.8	-	1,503	1.7	-
- Other customers	2,887	2.6	1,924	1,858	2.0	1,511
Accrued interest	1,380	1.3	-	N/A	N/A	N/A
Total quasi-credit debt assets	110,151	100.0	31,467	90,856	100.0	33,609

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (iv) Quasi-credit debt assets analysed by industry (Cont'd):

The Bank	31 December 2021			31 December 2020		
	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals
Corporate quasi-credit debt assets						
- Leasing and commercial services	24,960	41.3	150	17,690	43.3	-
- Water conservancy, environmental and other public facilities	23,753	39.3	464	15,110	37.0	580
- Construction	5,435	9.0	-	4,715	11.5	-
- Transportation, storage and postal services	1,359	2.2	-	-	-	-
- Real estate	1,200	2.0	-	1,000	2.4	-
- Electric power, thermal power, fuel gas and water production and supply	895	1.5	-	895	2.2	-
- Finance	680	1.1	-	880	2.2	-
- Wholesale and retail	500	0.8	-	500	1.2	-
- Other customers	428	0.7	-	100	0.2	-
Accrued interest	1,285	2.1	-	N/A	N/A	N/A
Total quasi-credit debt assets	60,495	100.0	614	40,890	100.0	580

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (v) Loans and advances to customers analysed by region:

The Group	31 December 2021			31 December 2020		
	Total loans	%	Loans secured by collaterals	Total loans	%	Loans secured by collaterals
Head Office	38,242	5.9	-	5,507	1.0	1,400
Yangtze River Delta	253,621	39.1	65,115	217,113	39.1	44,561
Bohai Rim	173,943	26.7	65,697	169,971	30.6	44,939
Western China	114,599	17.6	49,917	102,426	18.5	37,569
Central China	46,289	7.1	19,119	43,727	7.9	9,484
Pearl River Delta	21,651	3.3	7,431	16,112	2.9	4,565
Accrued interest	1,945	0.3	-	N/A	N/A	N/A
Total	650,290	100.0	207,279	554,856	100.0	142,518

The Bank	31 December 2021			31 December 2020		
	Total loans	%	Loans secured by collaterals	Total loans	%	Loans secured by collaterals
Head Office	38,242	5.9	-	5,507	1.0	1,400
Yangtze River Delta	250,366	38.8	64,145	214,076	39.0	44,097
Bohai Rim	173,943	26.9	65,697	169,971	30.9	44,939
Western China	113,329	17.5	49,097	100,861	18.3	36,536
Central China	46,289	7.2	19,120	43,727	7.9	9,484
Pearl River Delta	21,651	3.4	7,431	16,112	2.9	4,566
Accrued interest	1,934	0.3	-	N/A	N/A	N/A
Total	645,754	100.0	205,490	550,254	100.0	141,022



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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (vi) Quasi-credit debt assets analysed by region:

The Group	31 December 2021			31 December 2020		
	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals
Head Office	21,645	19.7	16,485	14,123	15.5	14,123
Bohai Rim	29,875	27.1	2,700	28,006	30.8	10,021
Western China	26,082	23.7	8,954	20,858	23.0	3,598
Yangtze River Delta	15,562	14.1	2,482	15,577	17.1	4,795
Central China	12,221	11.0	-	9,620	10.6	-
Pearl River Delta	3,386	3.1	846	2,672	3.0	1,072
Accrued interest	1,380	1.3	-	N/A	N/A	N/A
Total	110,151	100.0	31,467	90,856	100.0	33,609

The Bank	31 December 2021			31 December 2020		
	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals	Total quasi-credit debt assets	%	Quasi-credit debt assets secured by collaterals
Head Office	-	-	-	-	-	-
Western China	17,510	28.9	64	11,130	27.2	80
Bohai Rim	16,975	28.1	550	12,855	31.4	500
Central China	11,558	19.1	-	8,365	20.5	-
Yangtze River Delta	10,627	17.6	-	6,940	17.0	-
Pearl River Delta	2,540	4.2	-	1,600	3.9	-
Accrued interest	1,285	2.1	-	N/A	N/A	N/A
Total	60,495	100.0	614	40,890	100.0	580

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 57 Risk management (Cont'd)

### (1) Credit risk (Cont'd)

#### (vii) Debt instruments categorised by credit rating

The Group adopts credit rating method to monitor the credit risk of its debt instruments. The credit ratings are determined based on the ratings of major rating agencies in the countries where the debt instrument issuers locate. As at the balance sheet date, the carrying amounts of investments in debt instruments were summarised by credit rating as follow:

31 December 2021						
The Group and the Bank	Unrated (Note)	AAA	AA	A	Below A	Total
Bonds categorised by issuer:						
- Governments	117,413	51,173	-	-	-	168,586
- Policy banks	18,704	-	-	-	-	18,704
- Corporate entities	21,449	6,598	8,291	-	510	36,848
- Banks and non-bank financial institutions	2,990	4,701	1,138	-	-	8,829
Structured investments	963	3,163	1,805	-	-	5,931
Total	161,519	65,635	11,234	-	510	238,898
31 December 2020						
The Group and the Bank	Unrated (Note)	AAA	AA	A	Below A	Total
Bonds categorised by issuer:						
- Governments	83,588	50,513	-	-	-	134,101
- Policy banks	30,839	191	-	-	-	31,030
- Corporate entities	8,424	9,485	14,274	4,889	1,022	38,094
- Banks and non-bank financial institutions	2,167	5,412	1,054	-	-	8,633
Structured investments	3,510	1,801	613	-	-	5,924
Total	128,528	67,402	15,941	4,889	1,022	217,782

Note: The unrated debt instruments of the Group mainly comprise treasury bonds, policy bank financial bonds, commercial bank bonds and non-bank financial institution bonds.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 57 Risk management (Cont'd)

### (2) Market risk

Market risk refers to the potential loss in both on-balance-sheet and off-balance-sheet businesses of the Group caused by adverse changes in market prices (interest rates, exchange rates, stock prices and goods prices). The Group has established market risk management policies and systems concerning identification, measurement, monitoring and control of market risk to manage market risk through product access approval and limit management, so as to control potential market risk losses to an acceptable level.

The Risk Management Committee of the Group takes responsibilities to approve important policies and systems for market risk management, establish proper organisational structure and information system to identify, measure, monitor and control the market risk assumed by its various businesses, and ensure that sufficient human and material resources can be input to strengthen the market risk management. Risk management departments perform independent management and control over the market risk of the Bank, take responsibilities to formulate policies and systems for market risk management, determine the credit limits and provide independent market risk reports, so as to effectively identify, measure and monitor the market risk of the Bank. Business departments are responsible for actively performing market risk management duties in their daily operating activities, effectively identifying, measuring and controlling various market risk elements involved in their business practices, and ensuring a dynamic balance between business development and risk taking.

The Group uses sensitivity indicator, foreign exchange exposure and interest rate repricing gap as the main tools to monitor market risk.

The main market risks assumed by the Group in its ordinary course of business include interest rate risk and foreign exchange risk.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Interest rate risk

The Group's interest rate risk mainly arises from the impact of maturity mismatch of assets and liabilities due to interest rate re-pricing on income, as well as the impact of changes in market interest rate on capital transaction positions.

The Group mainly evaluates and monitors the re-pricing risk of asset and liability business through gap analysis. Based on gap analysis, the Group adjusts the proportion of floating-rate loans and fixed-rate loans, adjusts the re-pricing cycle of loans, and optimises the maturity structure of deposits.

The Group effectively monitors, manages and reports the interest rate risk arising from capital transaction positions by means of duration analysis, sensitivity analysis, stress test and scenario simulation, etc.

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Interest rate risk (Cont'd)

Assets and liabilities for the related periods and the expected next re-pricing date (or the contract maturity date, and the earlier one shall prevail) as at the balance sheet date are listed below.

The Group	Total	Non-interest bearing	31 December 2021			
			Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Assets						
Cash and deposits with the Central Bank	73,345	858	72,487	-	-	-
Deposits with banks and other financial institutions	9,948	10	8,438	1,500	-	-
Placements with banks and other financial institutions	29,149	219	8,536	20,394	-	-
Financial assets held under resale agreements	29,038	2	29,036	-	-	-
Loans and advances to customers	629,683	1,945	110,941	299,252	198,018	19,527
Quasi-credit debt assets	95,417	1,380	17,977	7,783	63,342	4,935
Investment (Note)	307,766	69,381	19,240	49,165	122,616	47,364
Others	3,088	3,088	-	-	-	-
Total assets	1,177,434	76,883	266,655	378,094	383,976	71,826
Liabilities						
Borrowings from the Central Bank	65,163	772	79	64,312	-	-
Deposits from banks and other financial institutions	149,225	997	61,876	86,352	-	-
Placements from banks and other financial institutions	5,867	9	3,753	2,105	-	-
Financial liabilities at fair value through profit or loss	692	692	-	-	-	-
Financial assets sold under repurchase agreements	66,523	34	66,311	178	-	-
Deposits from customers	677,377	7,514	363,955	186,039	119,231	638
Debt securities issued	121,167	-	50,705	70,462	-	-
Others	5,502	5,502	-	-	-	-
Total liabilities	1,091,516	15,520	546,679	409,448	119,231	638
Surplus/(Gap) of assets and liabilities	85,918	61,363	(280,024)	(31,354)	264,745	71,188

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Interest rate risk (Cont'd)

Assets and liabilities for the related periods and the expected next re-pricing date (or the contract maturity date, and the earlier one shall prevail) as at the balance sheet date are listed below. (Cont'd)

The Group (Cont'd)	31 December 2020					
	Total	Non-interest bearing	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years
<b>Assets</b>						
Cash and deposits with the Central Bank	82,310	822	81,488	-	-	-
Deposits with banks and other financial institutions	15,472	-	13,852	1,620	-	-
Placements with banks and other financial institutions	8,316	-	212	8,104	-	-
Financial assets held under resale agreements	64,774	-	64,774	-	-	-
Investments classified as receivables	5,791	-	297	892	4,602	-
Loans and advances to customers	532,549	-	125,670	288,034	114,333	4,512
Quasi-credit debt assets	79,534	-	19,703	2,793	53,205	3,833
Investment (Note)	275,572	65,522	20,727	44,318	103,538	41,467
Others	11,552	11,552	-	-	-	-
Total assets	1,075,870	77,896	326,723	345,761	275,678	49,812
<b>Liabilities</b>						
Borrowings from the Central Bank	22,580	-	111	22,469	-	-
Deposits from banks and other financial institutions	183,229	-	107,243	75,986	-	-
Placements from banks and other financial institutions	4,801	-	2,250	2,551	-	-
Financial liabilities at fair value through profit or loss	356	356	-	-	-	-
Financial assets sold under repurchase agreements	95,893	-	95,792	101	-	-
Deposits from customers	604,558	-	331,859	154,554	118,145	-
Debt securities issued	75,985	-	35,365	40,620	-	-
Others	13,977	13,977	-	-	-	-
Total liabilities	1,001,379	14,333	572,620	296,281	118,145	-
Surplus/(Gap) of assets and liabilities	74,491	63,563	(245,897)	49,480	157,533	49,812



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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Interest rate risk (Cont'd)

The Bank	Total	Non-interest bearing	31 December 2021			
			Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Assets						
Cash and deposits with the Central Bank	72,948	841	72,107	-	-	
Deposits with banks and other financial institutions	9,917	8	8,409	1,500	-	-
Placements with banks and other financial institutions	29,149	219	8,536	20,394	-	-
Financial assets held under resale agreements	29,038	2	29,036	-	-	-
Loans and advances to customers	625,296	1,934	110,454	297,475	197,471	17,962
Quasi-credit debt assets	60,014	1,285	-	1,525	56,607	597
Investments in consolidated structured entities	35,403	95	17,977	6,258	6,735	4,338
Investment (Note)	307,766	69,381	19,240	49,165	122,616	47,364
Others	3,077	3,077	-	-	-	-
Total assets	1,172,608	76,842	265,759	376,317	383,429	70,261
Liabilities						
Borrowings from the Central Bank	64,772	772	-	64,000	-	-
Deposits from banks and other financial institutions	150,823	997	63,474	86,352	-	-
Placements from banks and other financial institutions	5,867	9	3,753	2,105	-	-
Financial liabilities at fair value through profit or loss	692	692	-	-	-	-
Financial assets sold under repurchase agreements	66,523	34	66,311	178	-	-
Deposits from customers	672,333	7,418	361,325	184,916	118,036	638
Debt securities issued	121,167	-	50,705	70,462	-	-
Others	5,459	5,459	-	-	-	-
Total liabilities	1,087,636	15,381	545,568	408,013	118,036	638
Surplus/(Gap) of assets and liabilities	84,972	61,461	(279,809)	(31,696)	265,393	69,623

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Interest rate risk (Cont'd)

The Bank (Cont'd)	31 December 2020					
	Total	Non- interest bearing	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Assets						
Cash and deposits with the Central Bank	81,895	807	81,088	-	-	
Deposits with banks and other financial institutions	15,718	-	14,098	1,620	-	-
Placements with banks and other financial institutions	8,316	-	212	8,104	-	-
Financial assets held under resale agreements	64,774	-	64,774	-	-	-
Investments classified as receivables	5,791	-	297	892	4,602	-
Loans and advances to customers	528,295	-	124,935	285,701	113,248	4,411
Quasi-credit debt assets	40,471	-	178	198	39,501	594
Investments in consolidated structured entities	39,363	-	19,629	2,630	13,837	3,267
Investment (Note)	275,572	65,522	20,727	44,318	103,538	41,467
Others	11,235	11,235	-	-	-	-
Total assets	1,071,430	77,564	325,938	343,463	274,726	49,739
Liabilities						
Borrowings from the Central Bank	22,100	-	-	22,100	-	-
Deposits from banks and other financial institutions	184,960	-	108,774	76,186	-	-
Placements from banks and other financial institutions	4,801	-	2,250	2,551	-	-
Financial liabilities at fair value through profit or loss	356	356	-	-	-	-
Financial assets sold under repurchase agreements	95,893	-	95,792	101	-	-
Deposits from customers	599,883	-	329,331	153,247	117,305	-
Debt securities issued	75,985	-	35,365	40,620	-	-
Others	13,889	13,889	-	-	-	-
Total liabilities	997,867	14,245	571,512	294,805	117,305	-
Surplus/(Gap) of assets and liabilities	73,563	63,319	(245,574)	48,658	157,421	49,739

Note: As at 31 December 2021, investments include investments classified as financial assets at fair value through profit or loss, financial assets at amortized cost and financial assets at fair value through other comprehensive income (31 December 2020: Investments include investments classified as financial assets at fair value through profit or loss, investments classified as financial assets held for trading, held-to-maturity investment assets and investments classified as receivables).

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Interest rate risk (Cont'd)

The Group measures the possible effect of interest changes on net interest income through sensitivity analysis. The following table illustrates the potential pre-tax impacts of a parallel upward or downward shift of 100 basis points in interest on the net interest income of future 12 months, based on the Group's structure of interest-earning assets and interest-bearing liabilities at the end of the reporting period. Since the analysis assumes that the interest rates for all periods are changed at the same range, it does not reflect the situation in which certain interest rates change while others remain unchanged. The sensitivity analysis on net interest income is based on reasonably possible expected changes in interest rates. The analysis assumes that the structure of assets and liabilities held at the end of the period remains unchanged, and therefore does not take into account changes in customer behaviour, benchmark risk or options for early repayment of bonds.

	2021		2020	
	The Group Net interest income	The Bank Net interest income	The Group Net interest income	The Bank Net interest income
Up by 100 basis points	(2,609)	(2,608)	(1,997)	(1,997)
Down by 100 basis points	2,609	2,608	1,997	1,997

The related assumptions do not take into account measures that the Group may take to mitigate interest rate risk as a result of its capital use and interest rate risk management policies. Therefore, the above analysis may differ from the actual situation.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Foreign exchange risk

Foreign exchange risk refers to the potential loss in both on-balance-sheet and off-balance-sheet businesses caused by adverse changes in exchange rates. The Group mainly measures exchange rate risk through analysis and control over foreign exchange exposures.

Foreign exchange exposures of assets and liabilities at the balance sheet date are as follows:

The Group	31 December 2021				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Assets					
Cash and deposits with the Central Bank	71,395	1,946	2	2	73,345
Deposits with banks and other financial institutions	4,355	5,108	8	477	9,948
Placements with banks and other financial institutions	29,149	-	-	-	29,149
Financial assets held under resale agreements	29,038	-	-	-	29,038
Loans and advances to customers	623,279	6,399	-	5	629,683
Quasi-credit debt assets	95,417	-	-	-	95,417
Investment (Note)	291,114	16,652	-	-	307,766
Others	2,621	444	(5)	28	3,088
Total assets	1,146,368	30,549	5	512	1,177,434
Liabilities					
Borrowings from the Central Bank	65,163	-	-	-	65,163
Deposits from banks and other financial institutions	143,573	5,652	-	-	149,225
Placements from banks and other financial institutions	-	5,867	-	-	5,867
Financial liabilities at fair value through profit or loss	692	-	-	-	692
Financial assets sold under repurchase agreements	66,523	-	-	-	66,523
Deposits from customers	658,810	18,048	6	513	677,377
Debt securities issued	121,167	-	-	-	121,167
Others	5,462	5	3	32	5,502
Total liabilities	1,061,390	29,572	9	545	1,091,516
Surplus/(Gap) of assets and liabilities	84,978	977	(4)	(33)	85,918
Credit commitments	229,540	5,072	-	29	234,641

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Foreign exchange risk (Cont'd)

Foreign exchange exposures of assets and liabilities at the balance sheet date are as follows (Cont'd):

The Group (Cont'd)	31 December 2020				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Assets					
Cash and deposits with the Central Bank	81,277	1,001	29	3	82,310
Deposits with banks and other financial institutions	7,782	7,124	279	287	15,472
Placements with banks and other financial institutions	8,264	52	-	-	8,316
Financial assets held under resale agreements	64,774	-	-	-	64,774
Investments classified as receivables	5,787	4	-	-	5,791
Loans and advances to customers	525,546	6,948	-	55	532,549
Quasi-credit debt assets	79,534	-	-	-	79,534
Investment (Note)	256,568	19,004	-	-	275,572
Others	8,394	1,988	3	1,167	11,552
Total assets	1,037,926	36,121	311	1,512	1,075,870
Liabilities					
Borrowings from the Central Bank	22,580	-	-	-	22,580
Deposits from banks and other financial institutions	176,151	5,955	-	1,123	183,229
Placements from banks and other financial institutions	-	4,801	-	-	4,801
Financial liabilities at fair value through profit or loss	356	-	-	-	356
Financial assets sold under repurchase agreements	95,893	-	-	-	95,893
Deposits from customers	579,586	24,274	309	389	604,558
Debt securities issued	75,985	-	-	-	75,985
Others	13,598	377	2	-	13,977
Total liabilities	964,149	35,407	311	1,512	1,001,379
Surplus/(Gap) of assets and liabilities	73,777	714	-	-	74,491
Credit commitments	198,115	3,897	-	154	202,166

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Foreign exchange risk (Cont'd)

Foreign exchange exposures of assets and liabilities at the balance sheet date are as follows (Cont'd):

The Bank	RMB	31 December 2021			Total
		USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Assets					
Cash and deposits with the Central Bank	70,998	1,946	2	2	72,948
Deposits with banks and other financial institutions	4,324	5,108	8	477	9,917
Placements with banks and other financial institutions	29,149	-	-	-	29,149
Financial assets held under resale agreements	29,038	-	-	-	29,038
Loans and advances to customers	618,892	6,399	-	5	625,296
Quasi-credit debt assets	60,014	-	-	-	60,014
Investments in consolidated structured entities	35,403	-	-	-	35,403
Investment (Note)	291,114	16,652	-	-	307,766
Others	2,610	444	(5)	28	3,077
Total assets	1,141,542	30,549	5	512	1,172,608
Liabilities					
Borrowings from the Central Bank	64,772	-	-	-	64,772
Deposits from banks and other financial institutions	145,171	5,652	-	-	150,823
Placements from banks and other financial institutions	-	5,867	-	-	5,867
Financial liabilities at fair value through profit or loss	692	-	-	-	692
Financial assets sold under repurchase agreements	66,523	-	-	-	66,523
Deposits from customers	653,766	18,048	6	513	672,333
Debt securities issued	121,167	-	-	-	121,167
Others	5,419	5	3	32	5,459
Total liabilities	1,057,510	29,572	9	545	1,087,636
Surplus/(Gap) of assets and liabilities	84,032	977	(4)	(33)	84,972
Credit commitments	229,158	5,072	-	29	234,259



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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Foreign exchange risk (Cont'd)

Foreign exchange exposures of assets and liabilities at the balance sheet date are as follows (Cont'd):

The Bank (Cont'd)	RMB	31 December 2020			Total
		USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Assets					
Cash and deposits with the Central Bank	80,862	1,001	29	3	81,895
Deposits with banks and other financial institutions	8,028	7,124	279	287	15,718
Placements with banks and other financial institutions	8,264	52	-	-	8,316
Financial assets held under resale agreements	64,774	-	-	-	64,774
Investments classified as receivables	5,787	4	-	-	5,791
Loans and advances to customers	521,292	6,948	-	55	528,295
Quasi-credit debt assets	40,471	-	-	-	40,471
Investments in consolidated structured entities	39,363	-	-	-	39,363
Investment (Note)	256,568	19,004	-	-	275,572
Others	8,077	1,988	3	1,167	11,235
Total assets	1,033,486	36,121	311	1,512	1,071,430
Liabilities					
Borrowings from the Central Bank	22,100	-	-	-	22,100
Deposits from banks and other financial institutions	177,882	5,955	-	1,123	184,960
Placements from banks and other financial institutions	-	4,801	-	-	4,801
Financial liabilities at fair value through profit or loss	356	-	-	-	356
Financial assets sold under repurchase agreements	95,893	-	-	-	95,893
Deposits from customers	574,911	24,274	309	389	599,883
Debt securities issued	75,985	-	-	-	75,985
Others	13,510	377	2	-	13,889
Total liabilities	960,637	35,407	311	1,512	997,867
Surplus/(Gap) of assets and liabilities	72,849	714	-	-	73,563
Credit commitments	197,672	3,897	-	154	201,723

Note: As at 31 December 2021, investments include investments classified as financial assets at fair value through profit or loss, financial assets at amortized cost and financial assets at fair value through other comprehensive income (31 December 2020: Investments include investments classified as financial assets at fair value through profit or loss, investments classified as financial assets held for trading, held-to-maturity investment assets and investments classified as receivables).

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## 57 Risk management (Cont'd)

### (2) Market risk (Cont'd)

#### Foreign exchange risk (Cont'd)

The Group measures the possible effect of exchange rate changes on profit through sensitivity analysis. The table below presented the result of sensitivity analysis of the monetary assets and liabilities as at 31 December 2021 and 31 December 2020.

	31 December 2021		31 December 2020	
	Profit before tax	Other comprehensive income	Profit before tax	Other comprehensive income
10% appreciation of RMB	(416)	-	(143)	71
10% depreciation of RMB	416	-	143	(71)

The above sensitivity analysis is based on the static exchange rate risk structure of assets and liabilities, as well as the following assumptions: (i) exchange rate sensitivity represents the exchange gains or losses resulting from the 10% change in daily closing exchange rates (middle) on the reporting date; (ii) exchange rates for all currencies are fluctuating simultaneously and in the same direction, and correlations between exchange rate movements of different currencies are not taken into account; (iii) the calculation of foreign exchange exposure involves spot exchange exposure, forward exchange exposure and options, and all positions will be held and renewed at maturity. This analysis does not consider the impact of the risk management methodology applied by management. Based on the above mentioned assumptions, the actual movements of the Group's profit due to changes in exchange rates may differ from the sensitivity analysis result.

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## 57 Risk management (Cont'd)

### (3) Liquidity risk

Liquidity risk refers to the risk that the Group cannot obtain sufficient funds in time at a reasonable cost to repay debts when they are due, fulfil other payment obligations, or meet the other funding needs in regular business development. The Group's liquidity risk mainly arises from maturity structure mismatch of assets and liabilities, centralised customer withdrawals, etc.

The Group implements a unified liquidity risk management model in which the Head Office is responsible for formulating the Group's liquidity risk management policies and strategies and centralising the management of liquidity risk at the legal entity level; domestic and overseas subsidiaries formulate their own liquidity risk management strategies and procedures within the Group's overall liquidity risk management policy framework in accordance with the requirements of regulatory authorities.

The Group manages liquidity risk by setting various ratio targets and business limits based on its overall situation of assets and liabilities and the market conditions; and strives to meet unpredictable payment needs that may occur in the ordinary course of its operating activities by holding current assets.

The Group monitors and analyses liquidity with the following methods:

- Liquidity gap analysis;
- Monitoring of liquidity indicators (including but not limited to the regulatory indicators and internal management targets such as loan-to-deposit ratio, liquidity ratio, liquidity gap ratio and excess reserve rate);
- Scenario analysis;
- Stress test.

On this basis, the Group has established a regular reporting mechanism for liquidity risk and timely reports to senior management on the latest information about liquidity risk.

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

The assets and liabilities are analysed below based on the residual maturity from the balance sheet date to the contract maturities.

Analysis on the Group's maturities	31 December 2021						Total
	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	
Assets							
Cash and deposits with the Central Bank	20,734	-	-	-	-	52,611	73,345
Deposits with banks and other financial institutions	8,408	33	1,507	-	-	-	9,948
Placements with banks and other financial institutions	-	8,600	20,549	-	-	-	29,149
Financial assets held under resale agreements	-	29,038	-	-	-	-	29,038
Loans and advances to customers	-	94,527	300,174	159,300	58,937	16,745	629,683
Quasi-credit debt assets	-	960	6,869	65,359	4,945	17,284	95,417
Investment (Note)	-	16,252	41,082	133,005	48,046	69,381	307,766
Others	3,088	-	-	-	-	-	3,088
Total assets	32,230	149,410	370,181	357,664	111,928	156,021	1,177,434
Liabilities							
Borrowings from the Central Bank	6	73	65,084	-	-	-	65,163
Deposits from banks and other financial institutions	25,131	37,055	87,039	-	-	-	149,225
Placements from banks and other financial institutions	-	3,759	2,108	-	-	-	5,867
Financial liabilities at fair value through profit or loss	-	-	692	-	-	-	692
Financial assets sold under repurchase agreements	-	66,345	178	-	-	-	66,523
Deposits from customers	298,733	66,619	189,549	121,827	649	-	677,377
Debt securities issued	-	50,705	70,462	-	-	-	121,167
Others	5,336	-	-	-	-	166	5,502
Total liabilities	329,206	224,556	415,112	121,827	649	166	1,091,516
(Short)/Long positions	(296,976)	(75,146)	(44,931)	235,837	111,279	155,855	85,918

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

Analysis on the Group's maturities (Cont'd)	31 December 2020						Total
	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	
Assets							
Cash and deposits with the Central Bank	28,639	-	-	-	-	53,671	82,310
Deposits with banks and other financial institutions	12,326	1,526	1,620	-	-	-	15,472
Placements with banks and other financial institutions	-	212	8,104	-	-	-	8,316
Financial assets held under resale agreements	-	64,774	-	-	-	-	64,774
Investments classified as receivables	-	198	593	5,000	-	-	5,791
Loans and advances to customers	-	95,929	260,037	139,453	30,496	6,634	532,549
Quasi-credit debt assets	-	1,036	2,794	56,122	6,072	13,510	79,534
Investment (Note)	-	18,346	38,784	111,413	41,507	65,522	275,572
Others	11,552	-	-	-	-	-	11,552
Total assets	52,517	182,021	311,932	311,988	78,075	139,337	1,075,870
Liabilities							
Borrowings from the Central Bank	3	108	22,469	-	-	-	22,580
Deposits from banks and other financial institutions	25,189	82,194	75,846	-	-	-	183,229
Placements from banks and other financial institutions	-	2,250	2,551	-	-	-	4,801
Financial liabilities at fair value through profit or loss	-	-	356	-	-	-	356
Financial assets sold under repurchase agreements	-	95,792	101	-	-	-	95,893
Deposits from customers	254,489	77,370	154,554	118,145	-	-	604,558
Debt securities issued	-	35,365	40,620	-	-	-	75,985
Others	13,843	-	-	-	-	134	13,977
Total liabilities	293,524	293,079	296,497	118,145	-	134	1,001,379
(Short)/Long positions	(241,007)	(111,058)	15,435	193,843	78,075	139,203	74,491

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

Analysis on the Bank's maturities	31 December 2021						Total
	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	
Assets							
Cash and deposits with the Central Bank	20,594	-	-	-	-	52,354	72,948
Deposits with banks and other financial institutions	8,399	11	1,507	-	-	-	9,917
Placements with banks and other financial institutions	-	8,600	20,549	-	-	-	29,149
Financial assets held under resale agreements	-	29,038	-	-	-	-	29,038
Loans and advances to customers	-	94,154	298,397	158,752	57,368	16,625	625,296
Quasi-credit debt assets	-	62	1,492	57,860	600	-	60,014
Investments in consolidated structured entities	-	899	5,377	7,499	4,344	17,284	35,403
Investment (Note)	-	16,252	41,082	133,005	48,046	69,381	307,766
Others	3,077	-	-	-	-	-	3,077
Total assets	32,070	149,016	368,404	357,116	110,358	155,644	1,172,608
Liabilities							
Borrowings from the Central Bank	-	-	64,772	-	-	-	64,772
Deposits from banks and other financial institutions	26,579	37,205	87,039	-	-	-	150,823
Placements from banks and other financial institutions	-	3,759	2,108	-	-	-	5,867
Financial liabilities at fair value through profit or loss	-	-	692	-	-	-	692
Financial assets sold under repurchase agreements	-	66,345	178	-	-	-	66,523
Deposits from customers	296,803	65,865	188,410	120,606	649	-	672,333
Debt securities issued	-	50,705	70,462	-	-	-	121,167
Others	5,294	-	-	-	-	165	5,459
Total liabilities	328,676	223,879	413,661	120,606	649	165	1,087,636
(Short)/Long positions	(296,606)	(74,863)	(45,257)	236,510	109,709	155,479	84,972



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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

Analysis on the Bank's maturities (Cont'd)	31 December 2020						Total
	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	
Assets							
Cash and deposits with the Central Bank	28,527	-	-	-	-	53,368	81,895
Deposits with banks and other financial institutions	12,237	1,861	1,620	-	-	-	15,718
Placements with banks and other financial institutions	-	212	8,104	-	-	-	8,316
Financial assets held under resale agreements	-	64,774	-	-	-	-	64,774
Investments classified as receivables	-	198	593	5,000	-	-	5,791
Loans and advances to customers	-	95,357	258,008	138,178	30,312	6,440	528,295
Quasi-credit debt assets	-	178	198	39,501	594	-	40,471
Investments in consolidated structured entities	-	1,157	2,596	16,622	5,478	13,510	39,363
Investment (Note)	-	18,346	38,784	111,413	41,507	65,522	275,572
Others	11,235	-	-	-	-	-	11,235
Total assets	51,999	182,083	309,903	310,714	77,891	138,840	1,071,430
Liabilities							
Borrowings from the Central Bank	-	-	22,100	-	-	-	22,100
Deposits from banks and other financial institutions	26,440	82,474	76,046	-	-	-	184,960
Placements from banks and other financial institutions	-	2,250	2,551	-	-	-	4,801
Financial liabilities at fair value through profit or loss	-	-	356	-	-	-	356
Financial assets sold under repurchase agreements	-	95,792	101	-	-	-	95,893
Deposits from customers	252,526	76,806	153,247	117,305	-	-	599,884
Debt securities issued	-	35,365	40,620	-	-	-	75,985
Others	13,755	-	-	-	-	133	13,888
Total liabilities	292,721	292,687	295,021	117,305	-	133	997,867
(Short)/Long positions	(240,722)	(110,604)	14,882	193,409	77,891	138,707	73,563

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

The undiscounted contractual cash flows of assets and liabilities are analysed below based on the residual maturity from the balance sheet date to the contract maturities.

31 December 2021							
The Group	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	Total
Cash flows from non-derivative financial instruments							
Assets							
Cash and deposits with the Central Bank	20,734	-	-	-	-	52,611	73,345
Deposits with banks and other financial institutions	8,409	33	1,554	-	-	-	9,996
Placements with banks and other financial institutions	-	8,609	21,074	-	-	-	29,683
Financial assets held under resale agreements	-	29,111	-	-	-	-	29,111
Loans and advances to customers	-	180,325	323,338	187,131	109,050	17,295	817,139
Quasi-credit debt assets	-	2,017	9,903	70,305	6,310	30,832	119,367
Investment (Note)	-	19,274	46,783	146,101	54,374	69,381	335,913
Others	3,088	-	-	-	-	-	3,088
Total assets	32,231	239,369	402,652	403,537	169,734	170,119	1,417,642
Liabilities							
Borrowings from the Central Bank	6	73	65,463	-	-	-	65,542
Deposits from banks and other financial institutions	25,131	37,192	88,207	-	-	-	150,530
Placements from banks and other financial institutions	-	3,763	2,110	-	-	-	5,873
Financial liabilities at fair value through profit or loss	-	-	701	-	-	-	701
Financial assets sold under repurchase agreements	-	66,358	180	-	-	-	66,538
Deposits from customers	298,769	66,774	192,508	133,881	783	-	692,715
Debt securities issued	-	50,970	71,410	-	-	-	122,380
Others	5,336	-	-	-	-	166	5,502
Total liabilities	329,242	225,130	420,579	133,881	783	166	1,109,781
(Short)/Long positions	(297,011)	14,239	(17,927)	269,656	168,951	169,953	307,861

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

The Group (Cont'd)	31 December 2020						Total
	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	
Cash flows from non-derivative financial instruments							
Assets							
Cash and deposits with the Central Bank	28,639	-	-	-	-	53,671	82,310
Deposits with banks and other financial institutions	12,327	1,529	1,639	-	-	-	15,495
Placements with banks and other financial institutions	-	213	8,312	-	-	-	8,525
Financial assets held under resale agreements	-	67,805	-	-	-	-	67,805
Investments classified as receivables	-	285	753	5,171	-	-	6,209
Loans and advances to customers	-	101,813	267,540	156,117	41,376	6,634	573,480
Quasi-credit debt assets	-	1,936	5,427	62,322	7,801	13,510	90,996
Investment (Note)	-	19,958	44,193	126,040	49,969	65,522	305,682
Others	11,552	-	-	-	-	-	11,552
Total assets	52,518	193,539	327,864	349,650	99,146	139,337	1,162,054
Liabilities							
Borrowings from the Central Bank	3	109	22,718	-	-	-	22,830
Deposits from banks and other financial institutions	25,189	82,349	77,403	-	-	-	184,941
Placements from banks and other financial institutions	-	2,250	2,551	-	-	-	4,801
Financial liabilities at fair value through profit or loss	-	-	359	-	-	-	359
Financial assets sold under repurchase agreements	-	99,459	167	-	-	-	99,626
Deposits from customers	254,489	77,613	156,625	131,161	-	-	619,888
Debt securities issued	-	35,520	41,280	-	-	-	76,800
Others	13,843	-	-	-	-	134	13,977
Total liabilities	293,524	297,300	301,103	131,161	-	134	1,023,222
(Short)/Long positions	(241,006)	(103,761)	26,761	218,489	99,146	139,203	138,832

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

31 December 2021							
The Bank	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	Total
Cash flows from non-derivative financial instruments							
Assets							
Cash and deposits with the Central Bank	20,594	-	-	-	-	52,354	72,948
Deposits with banks and other financial institutions	8,400	11	1,554	-	-	-	9,965
Placements with banks and other financial institutions	-	8,609	21,074	-	-	-	29,683
Financial assets held under resale agreements	-	29,111	-	-	-	-	29,111
Loans and advances to customers	-	179,940	321,501	186,565	107,427	17,171	812,604
Quasi-credit debt assets	-	826	3,756	60,713	669	-	65,964
Investments in consolidated structured entities	-	1,191	6,147	9,592	5,641	30,832	53,403
Investment (Note)	-	19,274	46,783	146,101	54,374	69,381	335,913
Others	3,077	-	-	-	-	-	3,077
Total assets	32,071	238,962	400,815	402,971	168,111	169,738	1,412,668
Liabilities							
Borrowings from the Central Bank	-	-	65,148	-	-	-	65,148
Deposits from banks and other financial institutions	26,579	37,342	88,207	-	-	-	152,128
Placements from banks and other financial institutions	-	3,763	2,110	-	-	-	5,873
Financial liabilities at fair value through profit or loss	-	-	701	-	-	-	701
Financial assets sold under repurchase agreements	-	66,358	180	-	-	-	66,538
Deposits from customers	296,803	66,058	191,340	132,574	783	-	687,558
Debt securities issued	-	50,970	71,410	-	-	-	122,380
Others	5,294	-	-	-	-	165	5,459
Total liabilities	328,676	224,491	419,096	132,574	783	165	1,105,785
(Short)/Long positions	(296,605)	14,471	(18,281)	270,397	167,328	169,573	306,883

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

The Bank (Cont'd)	31 December 2020						Total
	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Indefinite and overdue	
Cash flows from non-derivative financial instruments							
Assets							
Cash and deposits with the Central Bank	28,527	-	-	-	-	53,368	81,895
Deposits with banks and other financial institutions	12,238	1,864	1,639	-	-	-	15,741
Placements with banks and other financial institutions	-	213	8,312	-	-	-	8,525
Financial assets held under resale agreements	-	67,805	-	-	-	-	67,805
Investments classified as receivables	-	285	753	5,171	-	-	6,209
Loans and advances to customers	-	101,172	265,382	154,721	41,117	6,440	568,832
Quasi-credit debt assets	-	685	1,712	42,716	697	-	45,810
Investments in consolidated structured entities	-	1,550	3,716	19,606	7,103	13,510	45,485
Investment (Note)	-	19,958	44,193	126,040	49,969	65,522	305,682
Others	11,235	-	-	-	-	-	11,235
Total assets	52,000	193,532	325,707	348,254	98,886	138,840	1,157,219
Liabilities							
Borrowings from the Central Bank	-	-	22,344	-	-	-	22,344
Deposits from banks and other financial institutions	26,440	82,629	77,606	-	-	-	186,675
Placements from banks and other financial institutions	-	2,250	2,551	-	-	-	4,801
Financial liabilities at fair value through profit or loss	-	-	359	-	-	-	359
Financial assets sold under repurchase agreements	-	99,459	167	-	-	-	99,626
Deposits from customers	252,525	77,048	155,300	130,254	-	-	615,127
Debt securities issued	-	35,520	41,280	-	-	-	76,800
Others	13,756	-	-	-	-	133	13,889
Total liabilities	292,721	296,906	299,607	130,254	-	133	1,019,621
(Short)/Long positions	(240,721)	(103,374)	26,100	218,000	98,886	138,707	137,598

Note: As at 31 December 2021, investments include investments classified as financial assets at fair value through profit or loss, financial assets at amortized cost and financial assets at fair value through other comprehensive income (31 December 2020: Investments include investments classified as financial assets at fair value through profit or loss, investments classified as financial assets held for trading, held-to-maturity investment assets and investments classified as receivables).

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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

#### Off-balance-sheet items

The Group's off-balance-sheet items mainly include acceptance notes, credit card commitments, letters of guarantee issued, loan commitments and letters of credit issued. The amounts of off-balance-sheet items are analysed below based on the remaining contractual maturity.

Analysis on the Group's maturities	31 December 2021			Total
	Within 1 year	1 to 5 years	Over 5 years	
Loan commitments	1,975	200	3,486	5,661
Acceptance notes	188,541	-	-	188,541
Letters of credit issued	27,950	1	-	27,951
Letters of guarantee issued	3,487	2,873	2	6,362
Credit card commitments	6,126	-	-	6,126
Total	228,079	3,074	3,488	234,641

Analysis on the Group's maturities	31 December 2020			Total
	Within 1 year	1 to 5 years	Over 5 years	
Loan commitments	1,572	2,797	389	4,758
Acceptance notes	159,679	-	-	159,679
Letters of credit issued	26,025	-	-	26,025
Letters of guarantee issued	4,839	2,240	-	7,079
Credit card commitments	4,625	-	-	4,625
Total	196,740	5,037	389	202,166

Analysis on the Bank's maturities	31 December 2021			Total
	Within 1 year	1 to 5 years	Over 5 years	
Loan commitments	1,975	200	3,486	5,661
Acceptance notes	188,350	-	-	188,350
Letters of credit issued	27,950	1	-	27,951
Letters of guarantee issued	3,299	2,872	-	6,171
Credit card commitments	6,126	-	-	6,126
Total	227,700	3,073	3,486	234,259



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## 57 Risk management (Cont'd)

### (3) Liquidity risk (Cont'd)

Analysis on the Bank's maturities (Cont'd)	31 December 2020			
	Within 1 year	1 to 5 years	Over 5 years	Total
Loan commitments	1,572	2,797	389	4,758
Acceptance notes	159,378	-	-	159,378
Letters of credit issued	26,025	-	-	26,025
Letters of guarantee issued	4,698	2,239	-	6,937
Credit card commitments	4,625	-	-	4,625
Total	196,298	5,036	389	201,723

(i) The indefinite balance of cash and deposits with the Central Bank refers to the statutory deposit reserves, fiscal deposits with PBOC. The indefinite balance of loans and advances to customers refers to the overdue amount. The indefinite balance of investments mainly refers to fund investments. Equity investments are also presented under "Indefinite".

### (4) Operational risk

Operational risk refers to the risk of loss caused by inadequate or failure of internal procedures, employees and information technology systems, as well as external events, including legal risk but excluding strategy risk and reputation risk.

The Group realises the identification, assessment, monitoring, control, mitigation and reporting of operational risks through a sound operational risk management mechanism in an environment dominated by internal control measures, thereby reducing operational risk losses. The Group establishes a sound organisational structure system for operational risk management, continuously optimises and improves management tools, strengthens supervision, inspection, rectification and accountability, and enhances system construction to provide information-based support for effective identification, assessment, monitoring, control and reporting of operational risks. Currently, the management information system is equipped with functions to record and store operational risk loss data and operational risk event information, support self-assessment of operational risk and control, and monitor key risk indicators.

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## 58 Fair value data

Fair value estimates are made at a particular time based on the characteristics of financial instruments and relevant market information and are generally subjective. The Group uses the following hierarchy to determine and disclose the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the Group on the day of valuation. Equity and debt instruments listed and derivatives traded on exchanges are included within this level.

Level 2: Inputs are directly or indirectly observable variables other than the quoted prices in active markets included in Level 1. Most of the bond investments included within Level 2 are Renminbi-denominated bonds. The fair value of these bonds is determined based upon the valuation results by the China Central Depository & Clearing Co., Ltd., and most OTC derivatives are also included within this level. Valuation techniques include forward pricing, swap model and option pricing model; the input parameters are sourced from observable open markets such as Bloomberg, Wind and Reuters trading system.

Level 3: Inputs for the asset or liability which are based on unobservable variables. Equity and bond instruments for which one or more significant inputs are unobservable variables are included within this level. Management requests for quotation from counterparties or determines the fair value by adopting valuation technique, and the non-observable variables involved mainly include parameters such as discount rate and price volatility.

The fair value of financial assets and financial liabilities is determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and being traded in an active market is determined with reference to the purchase and selling price in the market respectively.
- The fair value of financial assets and financial liabilities that are not traded in an active market is determined in accordance with generally accepted pricing models or discounted cash flow analysis using prices for similar instruments observable in current market transactions. If there are no available observable current market transactions prices for similar instruments, counterparty quotation is used for the valuation, and management performs analysis on this price. Discounted cash flow analysis based on the applicable yield curve for the duration of the instruments is used to determine the fair value of non-option-type derivatives; and the option pricing model is used to determine the fair value of option-type derivative financial instruments.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 58 Fair value data (Cont'd)

The Group has established an independent valuation process for the financial assets and financial liabilities. The Financial Market Business Department, Financial Institutions Department and Investment Banking Department are responsible for the daily maintenance of financial assets and financial liabilities. The Risk Management Department provides independent validation on valuation methods, parameters, assumptions and results and is responsible for the valuation of financial assets and financial liabilities, the Operation Management Department obtains the valuation results according to the valuation process and accounts for the results in accordance with the accounting rules, and the Financial Accounting Department prepares disclosures of financial assets and financial liabilities based on independently reviewed valuation results.

The valuation policies and procedures for financial instruments of different types are approved by the Group's Risk Management Committee. Any changes in valuation policies and procedures are required to be submitted to the Risk Management Committee for approval prior to actual adoption.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 58 Fair value data (Cont'd)

In 2021, there were no significant changes in the valuation techniques and inputs used for measurement of the fair values in the consolidated financial statements of the Group.

### (1) Fair value of financial assets and financial liabilities not measured at fair value

The Group's financial assets and liabilities not measured at fair value mainly represent cash and deposits with the Central Bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, quasi-credit debt assets, held-to-maturity investments, instruments classified as receivables, borrowings from the Central Bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, customer deposits and debt securities issued.

Except for the following items, the carrying amount of other financial assets and financial liabilities not measured at fair value is a reasonable approximation of their fair value.

The Group and the Bank	Carrying amount		Fair value	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Financial assets:</b>				
Financial investments				
- at amortized cost	152,594	N/A	149,439	N/A
Held-to-maturity investments	N/A	104,366	N/A	105,333
Investments classified as receivables	N/A	5,791	N/A	6,050
Total	152,594	110,157	149,439	111,383
<b>Financial liabilities:</b>				
Debt securities issued				
- Interbank deposits	121,167	75,985	121,155	76,027

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## 58 Fair value data (Cont'd)

### (1) Fair value of financial assets and financial liabilities not measured at fair value (Cont'd)

The fair value of financial assets and financial liabilities are listed by fair value hierarchy as follows:

31 December 2021				
The Group and the Bank	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Financial investments				
- at amortized cost	618	144,409	4,412	149,439
Total	618	144,409	4,412	149,439
<b>Financial liabilities:</b>				
Debt securities issued				
- Interbank deposits	-	121,155	-	121,155
31 December 2020				
The Group and the Bank	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Held-to-maturity investments	-	105,333	-	105,333
Investments classified as receivables	-	848	5,202	6,050
Total	-	106,181	5,202	111,383
<b>Financial liabilities:</b>				
Debt securities issued				
- Interbank deposits	-	76,027	-	76,027

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 58 Fair value data (Cont'd)

(2) Year-end fair value of financial assets and financial liabilities measured at fair value

Balance at 31 December 2020	Level 1 (Note (i))	The Group and the Bank Level 2 (Note (i))	Level 3 (Note (ii))	Total
Fair value measurement on a recurring basis				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
Loans and advances to customers measured at fair value through other comprehensive income	-	77,704	-	77,704
Financial assets at fair value through profit or loss				
- Bond investments	-	9,292	127	9,419
- Investment funds	35,358	33,715	-	69,073
- Equity instruments	147	-	101	248
- Assets management schemes	-	-	1,140	1,140
- Asset-backed securities	-	1,942	-	1,942
Financial assets at fair value through other comprehensive income				
- Bond investments	6,464	66,629	191	73,284
Financial assets designated at fair value through other comprehensive income	-	-	66	66
Total financial assets measured at fair value on a recurring basis	41,969	189,282	1,625	232,876
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Precious metal lease	692	-	-	692



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## 58 Fair value data (Cont'd)

(2) Year-end fair value of financial assets and financial liabilities measured at fair value (Cont'd)

Balance at 31 December 2020	The Group and the Bank			Total
	Level 1 (Note (i))	Level 2 (Note (i))	Level 3 (Note (ii))	
Fair value measurement on a recurring basis				
Assets				
Financial assets measured				
at fair value through profit or loss				
- Bond investments	-	18,423	-	18,423
- Fund investments	2,208	-	-	2,208
Available-for-sale financial assets				
- Bond investments	5,180	80,904	337	86,421
- Fund investments	49,634	13,463	-	63,097
- Interbank deposits	-	840	-	840
- Equity instruments	95	-	-	95
Total financial assets measured at fair value on a recurring basis	57,117	113,630	337	171,084
Liabilities				
Financial liabilities at fair value through profit or loss				
- Precious metal lease	356	-	-	356
Total financial liabilities measured at fair value on a recurring basis	356	-	-	356

(i) In 2021, there was no significant transfer between fair value measurement levels of Level 1, Level 2 and Level 3.

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## 58 Fair value data (Cont'd)

(2) Year-end fair value of financial assets and financial liabilities measured at fair value (Cont'd)

(ii) *The movements in fair value at Level 3 for the current year are as follows:*

The Group and the Bank	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets designated at fair value through other comprehensive income	Total
1 January 2021	1,350	87	66	1,503
Total losses recognised in profit or loss for the current period	(23)	(338)	-	(361)
Total gains/(losses) recognised in other comprehensive income	-	-	-	-
Purchases	41	500	-	541
Sale and settlement	-	(58)	-	(58)
31 December 2021	1,368	191	66	1,625

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## 58 Fair value data (Cont'd)

(2) Year-end fair value of financial assets and financial liabilities measured at fair value (Cont'd)

(ii) *The movements in fair value at Level 3 for the current year are as follows (Cont'd):*

The Group and the Bank (Cont'd)	Financial assets at fair value through profit or loss	Available-for-sale financial assets		Total
	Bond investments	Bond investments	Assets management schemes	
1 January 2020	336	772	400	1,508
Total losses recognised in profit or loss for the current period	(336)	(74)	-	(410)
Total gains/(losses) recognised in other comprehensive income	-	10	-	10
Purchases	-	-	-	-
Sale and settlement	-	(349)	(400)	(749)
Effect of exchange rate changes	-	(22)	-	(22)
31 December 2020	-	337	-	337

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## 59 Commitments and contingencies

### (1) Credit commitments

The Group's credit commitments include loan commitments, credit card commitments, letters of guarantee, letters of credit and acceptance notes business.

Loan commitments and credit card commitments represent loans and credit card overdraft facilities that have been approved and contracted but not yet used by the Group. Letters of guarantee and letters of credit refer to the provision of guarantee for the performance to third parties on behalf of customers by the Group. Acceptance notes refer to the acceptance commitments of notes of exchange issued to customers by the Group, and the Group expects most acceptance notes to be settled simultaneously with reimbursement from the customers.

A breakdown of the contract amounts of credit commitments is shown below. The amounts shown for loan commitments and credit card commitments are the amounts with facilities assumed to be fully utilised; the amounts for letters of guarantee, letters of credit and acceptance notes are the maximum potential losses recognised by the Group at the balance sheet date if the counterparties fail to perform the contract.

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Contract amounts:				
Loan commitments				
- With an original maturity within 1 year	1,975	1,572	1,975	1,572
- With an original maturity of 1 year or above	3,686	3,186	3,686	3,186
Sub-total	5,661	4,758	5,661	4,758
Acceptance notes	188,541	159,679	188,350	159,378
Letters of credit issued	27,951	26,025	27,951	26,025
Letters of guarantee issued	6,362	7,079	6,171	6,937
Credit card commitments	6,126	4,625	6,126	4,625
Total	234,641	202,166	234,259	201,723

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## 59 Commitments and contingencies (Cont'd)

### (2) Capital commitments

The capital commitments authorised as at the balance sheet date are as follows:

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>For the acquisition of properties and equipment</b>				
- Contracted	280	63	280	63
- Uncontracted	17	10	17	10
<b>Total</b>	<b>297</b>	<b>73</b>	<b>297</b>	<b>73</b>

### (3) Pending litigations and disputes

At the end of the reporting period, the Group assessed the above commitments and contingent liabilities, including potential and pending litigations and disputes, that may cause an outflow of economic benefits and made provisions accordingly based on the accounting policies of the Group.

### (4) Redemption commitments of treasury bonds

As an underwriter of China's treasury bonds, the Group is obliged to redeem the treasury bonds for the holders at any time prior to maturity. The redemption price for the treasury bonds is based on the face value of the bonds plus any interest unpaid at the redemption date. Accrued interest payable to holders of the treasury bonds is calculated in accordance with relevant rules of the Ministry of Finance and PBOC. The redemption price may be different from the fair value of similar treasury bonds traded in the market at the redemption date.

The Group's obligation as at the balance sheet date for treasury bonds that have been underwritten, sold but not yet matured is listed at face value as follows:

	The Group and the Bank	
	31 December 2021	31 December 2020
Redemption commitments of treasury bonds	1,724	2,005

The original maturities of the above treasury bonds vary from 1 to 5 years. The Group expects the amount of treasury bonds redeemed prior to maturity by the Group is not material. The Ministry of Finance will not provide funding for the early redemption of these treasury bonds on a back-to-back basis but will pay the principal and interest as agreed in the issuance agreement upon maturity.

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## **59 Commitments and contingencies (Cont'd)**

### **(5) Others**

On 27 November 2017, Cai Guohua, the former Secretary of the Party Committee and Chairperson of the Bank, was investigated by the police for alleged serious violation of laws and discipline. On 3 December 2018, the case was transferred to the Shandong Discipline Inspection Commission and Supervisory Commission, and Cai Guohua was detained. In June 2019, Cai Guohua was handed over to the prosecuting organ. In November 2020, the court made the first-instance verdict and Cai Guohua filed an appeal. As at 31 December 2021, the court affirmed the original judgement. The Bank has investigated and cleaned up matters that may be affected by alleged violation of laws and discipline of Cai Guohua, the former Chairperson, and made accounting treatment accordingly based on the information currently available and the results of the investigation and clearance. Other potential obligations arising from the above matters, which exist from the past while the Bank is not aware of, will be recognised and presented in the Bank's future financial statements when they can be substantiated and measured reliably.



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## 60 Interests in structured entities

### (1) Interests in unconsolidated structured entities sponsored by third party institutions

The Group has invested in other structured entities issued by institutions, including special assets management schemes, trust investment schemes, asset-backed securities and securities investment funds, and investment income arising from thereon is recognised. These structured entities are unconsolidated after assessment.

The carrying amounts of the Group's interests in structured entities sponsored by other institutions through direct investments and related balance sheet items in the Group's balance sheet are shown below:

The Group and the Bank	31 December 2021				Total	Maximum risk exposure
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial investments measured at amortised cost			
Assets management schemes	1,140	-	2,679		3,819	3,819
Trust investment schemes	-	-	1,733		1,733	1,733
Asset-backed securities	1,942	-	24		1,966	1,966
Investment funds	69,073	-	-		69,073	69,073
Total	72,155	-	4,436		76,591	76,591

	31 December 2020				Total	Maximum risk exposure
	Financial assets held for trading	Available-for-sale financial assets	Held-to-maturity investments	Investments classified as receivables		
Assets management schemes	-	-	-	3,677	3,677	3,677
Trust investment schemes	-	-	-	2,247	2,247	2,247
Asset-backed securities	502	131	40	-	673	673
Investment funds	2,208	63,098	-	-	65,306	65,306
Total	2,710	63,229	40	5,924	71,903	71,903

The maximum risk exposure of trust investment schemes, special assets management schemes, asset-backed securities and investment funds is the fair value or carrying amount at the balance sheet date.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 60 Interests in structured entities (Cont'd)

### (2) Unconsolidated structured entities managed by the Group

The unconsolidated structured entities set up by the Group mainly include the non-principal-guaranteed wealth management products issued by the Group. The entities of wealth management business mainly invest in fixed income assets, such as money market instruments, bonds and credit assets. As the manager of wealth management products, the Group, on behalf of its customers, invests the funds raised in relevant underlying assets as agreed in the product contracts and distributes the proceeds to investors based on product operation. The Group's interests in these unconsolidated structured entities primarily represent management fee income earned for the management on such entities.

As at 31 December 2021, the amount invested in the unconsolidated non-principal-guaranteed wealth management products managed by the Group was RMB 127,383 million (31 December 2020: RMB 110,685 million).

In 2021, the Group's fee and commission income from the above structured entities amounted to RMB 782 million (2020: RMB 387 million).

Actively implementing the *Guiding Opinions on Regulating the Asset Management Business of Financial Institutions*, the Bank promotes net-worth products and asset standardisation, and disposes existing assets in an orderly manner by adopting various means such as new product undertaking, market-based transfer, contract change and moving off-balance sheet assets back to balance sheet, so as to achieve a smooth transition and sound development of its wealth management business.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (All amounts in RMB million unless otherwise stated)

## 61 Transfer of financial assets

In 2021, the Group's transfer of financial assets comprises transfer of non-performing assets and assets pledged as collateral under the specified-delivery repurchase agreements.

### (1) Transfer of financial assets

In 2021, the Group transferred RMB 3,181 million (2020: RMB 6,684 million) of financial assets directly to third parties. The Group considers that the above financial assets meet the criteria for derecognition based on the risk assessment and reward transfer stated in Note 4(20) and Note 4(21).

### (2) Assets pledged as collateral under the specified-delivery repurchase agreements

Financial assets transferred as collateral under repurchase agreements are not derecognised. As at 31 December 2021, no collaterals were transferred to the counterparties (31 December 2020: Nil).

## 62 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a current legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

As at 31 December 2021 and 31 December 2020, the Group had no financial assets and financial liabilities subject to enforceable master netting arrangements or similar agreements.

## 63 Events after the balance sheet date

### (1) Issuance of financial bonds in 2022, Phase I

The Bank publicly issued financial bonds of RMB 5 billion in China Interbank Bond Market on 18 February 2022, the funds raised, net of issuance expenses, were used to optimise the liability structure of the issuer and enrich the working capital in accordance with applicable laws and approval of authorities, thereby boosting sound business development.

## 64 Comparative figures

Certain comparative figures have been restated to conform to the presentation of the financial statements in the current year.

## APPENDIX A – FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

FM: EVERGROWING BANK CO. LTD CHONGQING BRANCH (SWIFT: HFBACNSD070)

NO.278 XINHUA ROAD YUZHONG DISTRICT, CHONGQING, CHINA

DATE: [DATE] 2022

TO BENEFICIARY: CMB WING LUNG (TRUSTEE) LIMITED (THE “**TRUSTEE**”, WHICH EXPRESSION SHALL INCLUDE ANY SUCCESSOR OR CO-TRUSTEE) (PRESENTLY OF CMB WING LUNG BANK BUILDING, 45 DES VOEUX ROAD CENTRAL, HONG KONG) (“**YOU**” OR “**BENEFICIARY**”)) IN ITS CAPACITY AS TRUSTEE FOR ITSELF AND ON BEHALF OF THE HOLDERS (THE “**BONDHOLDERS**”) OF THE CNY266,000,000 4.7 PER CENT. CREDIT ENHANCED BONDS DUE 2025 (THE “**BONDS**”) TO BE ISSUED BY CHONGQING BAZHOU CULTURAL TOURISM INDUSTRY GROUP CO., LTD. (THE “**ISSUER**”) AND TO BE CONSTITUTED BY A TRUST DEED DATED ON 1 DECEMBER 2022 (THE “**ISSUE DATE**”) AMONG THE ISSUER AND THE TRUSTEE (AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME, THE “**TRUST DEED**”).

DEAR SIRS

RE: OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER]

AT THE REQUEST OF OUR CUSTOMER, THE ISSUER, WE, EVERGROWING BANK CO. LTD CHONGQING BRANCH (THE “**ISSUING BANK**” “**OUR**” “**US**” OR “**WE**”), HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] IN YOUR FAVOUR, AND FOR THE ACCOUNT OF THE ISSUER, IN RESPECT OF AND IN CONNECTION WITH THE TERMS AND CONDITIONS OF THE BONDS APPENDED TO THE TRUST DEED (THE “**CONDITIONS**”) AND THE TRUST DEED. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS MADE AVAILABLE BY US FOR PAYMENT AGAINST OUR RECEIPT OF A DEMAND SUBSTANTIALLY IN THE FORM SET OUT IN APPENDIX A-1 (A “**DEMAND**”) PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT STATING THAT (A) THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 4(B) OF THE BONDS (THE “**PRE-FUNDING CONDITION**”) IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR HAS FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION OR (B) AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE TRUSTEE HAS GIVEN NOTICE TO THE ISSUER IN ACCORDANCE WITH THE CONDITIONS THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO YOU THAT, ON OR AFTER THE ISSUE DATE AND FOLLOWING RECEIPT BY US OF A DEMAND BY 5:00 P.M. (BEIJING TIME) PRESENTED BY YOU OR ON YOUR BEHALF IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT ON A BUSINESS DAY ON OR AFTER THE ISSUE DATE AND ON OR BEFORE THE EXPIRY TIME (AS DEFINED BELOW), WE SHALL BY 11:00 A.M. (BEIJING TIME) ON THE FOURTH BUSINESS DAY IMMEDIATELY FOLLOWING THE RECEIPT OF SUCH DEMAND, (OR, IF SUCH DEMAND IS RECEIVED AFTER 5:00 P.M. (BEIJING TIME) ON A BUSINESS DAY, THE FIFTH BUSINESS DAY FOLLOWING THE RECEIPT OF SUCH DEMAND)

PAY TO OR TO THE ORDER OF THE TRUSTEE THE AMOUNT IN RENMINBI SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT SPECIFIED IN THE DEMAND. “**BUSINESS DAY**” MEANS A DAY (OTHER THAN A SATURDAY OR A SUNDAY OR A PUBLIC HOLIDAY) ON WHICH BANKS AND FOREIGN EXCHANGE MARKETS ARE OPEN FOR BUSINESS SIMULTANEOUSLY IN BEIJING AND HONG KONG.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, OUR OBLIGATION TO PAY TO THE TRUSTEE IS UNCONDITIONAL AND ABSOLUTE AND ANY DEMAND BY OR ON BEHALF OF THE TRUSTEE IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE HONoured WITHOUT ANY FURTHER ENQUIRY AS TO THE TRUSTEE’S RIGHTS TO MAKE SUCH DEMAND.

OUR AGGREGATE LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE EXPRESSED AND PAYABLE IN RENMINBI AND SHALL NOT IN ANY CIRCUMSTANCES EXCEED CNY279,384,900 (THE “**MAXIMUM LIMIT**”), AN AMOUNT REPRESENTING ONLY (I) THE AGGREGATE PRINCIPAL AMOUNT OF CNY266,000,000 OF THE BONDS PLUS INTEREST PAYABLE FOR ONE INTEREST PERIOD (BEING SIX MONTHS) BEING CNY6,251,000 IN ACCORDANCE WITH THE CONDITIONS AND (II) CNY7,133,900 BEING THE MAXIMUM AMOUNT PAYABLE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT FOR ANY FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND ALL OTHER AMOUNTS PAYABLE BY THE ISSUER UNDER OR IN CONNECTION WITH THE BONDS, THE TRUST DEED, THE ACCOUNT BANK AGREEMENT (AS DEFINED IN THE CONDITIONS) AND/OR ANY OTHER TRANSACTION DOCUMENT RELATING TO THE BONDS.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT TAKES EFFECT FROM THE ISSUE DATE AND SHALL REMAIN VALID AND IN FULL FORCE UNTIL 5:00 P.M. (BEIJING TIME) ON 31 DECEMBER 2025 (THE “**EXPIRY TIME**”) AND SHALL EXPIRE AT THE PLACE OF THE ISSUING BANK.

PAYMENT WILL BE EFFECTED AFTER OUR RECEIPT OF A DEMAND PRESENTED BY YOU IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WHICH IS PRESENTED ON OR AFTER THE ISSUE DATE AND ON OR BEFORE THE EXPIRY TIME.

ANY DEMAND UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS TO BE PRESENTED BY WAY OF AN AUTHENTICATED SWIFT PRESENTED BY OR ON BEHALF OF YOU AS TRUSTEE FOR THE BONDHOLDERS TO US (SWIFT: HFBACNSD070) ON OR BEFORE 5:00 P.M. (BEIJING TIME) ON THE EXPIRY TIME WITHOUT THE NEED TO PHYSICALLY PRESENT AN ORIGINAL OF THAT DEMAND AT OUR COUNTER; PROVIDED THAT IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON, YOU (THE BENEFICIARY) MAY INSTEAD EMAIL ENCLOSING THE SCANNED COPY OF THE DEMAND TO OUR EMAIL ADDRESS: CQFHJYYHB@HFBANK.COM.CN AND SUCH DEMAND SHALL BE SIGNED BY YOU AS TRUSTEE FOR THE BONDHOLDERS AND ACCOMPANIED BY A COPY OF A LIST OF AUTHORISED SIGNATORIES OF THE TRUSTEE. IN THE CASE OF A PRESENTATION OF A DEMAND BY WAY OF EMAIL IN THE CIRCUMSTANCE STATED ABOVE, YOU SHALL ARRANGE FOR THE ORIGINAL DEMAND TO BE DELIVERED AS SOON AS REASONABLY PRACTICABLE THEREAFTER VIA COURIER AT OUR COUNTER AT OUR ADDRESS (AS SPECIFIED ABOVE) DURING OUR NORMAL BRANCH OPENING HOURS ON OR AFTER THE ISSUE DATE AND ON OR BEFORE 5:00 P.M. (BEIJING TIME) ON THE EXPIRY TIME. FOR THE AVOIDANCE OF DOUBT, THE DEMAND SHALL BE RECEIVED FOR ALL PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND WE SHALL START PROCESSING THE DEMAND UPON RECEIPT OF THE DEMAND SENT TO US BY WAY OF EMAIL.

ONLY ONE DRAWING UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS PERMITTED.

ALL CHARGES ARE FOR THE ACCOUNT OF THE ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ARE NOT FOR THE ACCOUNT OF THE TRUSTEE. NOTWITHSTANDING THE MAXIMUM LIMIT, ALL PAYMENTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE MADE IN RENMINBI AND FOR VALUE ON THE DATE PRESCRIBED IN THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN IMMEDIATELY AVAILABLE FUNDS WITHOUT ANY DEDUCTION OR WITHHOLDING FOR OR ON ACCOUNT OF TAX, SET-OFF, COUNTER-CLAIM OR OTHERWISE. IN THE EVENT THAT ANY DEDUCTION OR WITHHOLDING IS REQUIRED BY LAW, THE ISSUING BANK SHALL PAY SUCH ADDITIONAL AMOUNTS AS WILL RESULT IN RECEIPT BY THE TRUSTEE OF SUCH AMOUNTS AS WOULD HAVE BEEN RECEIVED BY IT HAD NO SUCH DEDUCTION OR WITHHOLDING BEEN REQUIRED BY LAW.

THE TRUSTEE'S RIGHTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT MAY BE TRANSFERRED OR RE-TRANSFERRED IN WHOLE OR IN PART TO ANY ADDITIONAL OR REPLACEMENT TRUSTEE IN RESPECT OF THE BONDS SUBJECT ONLY TO AT LEAST 15 DAYS' NOTICE HAVING BEEN GIVEN TO US BY OR ON BEHALF OF THE TRUSTEE BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON BY THE TRUSTEE'S SIGNED AND DATED LETTER TO US DELIVERED BY COURIER TO OUR ADDRESS (AS SPECIFIED ABOVE) AND ACCOMPANIED BY A COPY OF A LIST OF AUTHORISED SIGNATORIES OF THE TRUSTEE. THE NOTIFICATION OF TRANSFER OR RE-TRANSFER SHALL SPECIFY THE TRANSFEREE OR RE-TRANSFEREE, THE AMOUNT OF TRANSFER OR RE-TRANSFER AND THE EFFECTIVE DATE OF SUCH TRANSFER OR RE-TRANSFER.

OUR OBLIGATIONS AND LIABILITIES UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE INDEPENDENT. WE MAY NOT TRANSFER OR NOVATE ANY OF OUR OBLIGATIONS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND ARTICLE 36 OF UCP600 (AS DEFINED BELOW), IN THE EVENT THAT WE ARE CLOSED BECAUSE OF A FORCE MAJEURE OR OTHER UNFORESEEN EVENT WHEN THE TRUSTEE WISHES TO PRESENT A DEMAND HEREUNDER ON THE DAY AND AT THE TIME A DEMAND IS PERMITTED TO BE PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT THE TRUSTEE CAN PRESENT THE DEMAND IN ACCORDANCE WITH THE TERMS HEREIN FROM THE DATE WE PROVIDE WRITTEN NOTIFICATION TO YOU OF THE RESUMPTION OF OUR BUSINESS; PROVIDED THAT IF WE ARE CLOSED BECAUSE OF SUCH FORCE MAJEURE OR OTHER UNFORESEEN EVENT AT THE EXPIRY TIME, THEN THE AVAILABILITY OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL AUTOMATICALLY EXTEND TO THE DATE THAT IS FIVE BUSINESS DAYS AFTER THE DATE WE PROVIDE WRITTEN NOTICE TO YOU OF THE RESUMPTION OF OUR BUSINESS AND UPON SUCH EXTENSION YOU MAY PRESENT YOUR DEMAND HEREUNDER.

ANY SETTLEMENT OR DISCHARGE BETWEEN US AS ISSUING BANK AND THE TRUSTEE FOR ITSELF AND THE BONDHOLDERS SHALL BE CONDITIONAL UPON NO PAYMENT TO THE TRUSTEE BY THE ISSUER OR ANY OTHER PERSON ON THE ISSUER'S BEHALF BEING AVOIDED (BY VIRTUE OF ANY LAWS RELATING TO BANKRUPTCY, INSOLVENCY, RECEIVERSHIP, LIQUIDATION OR SIMILAR CIRCUMSTANCES) AND, IN THE EVENT OF ANY SUCH PAYMENT BEING SO AVOIDED, THE TRUSTEE SHALL BE ENTITLED TO RECOVER FROM US SUBSEQUENTLY THE AMOUNT BY WHICH SUCH PAYMENT IS SO AVOIDED AS IF SUCH SETTLEMENT OR DISCHARGE HAD NOT OCCURRED.



EXCEPT TO THE EXTENT THAT IT IS INCONSISTENT WITH THE EXPRESS TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600 (“**UCP600**”).

THIS IRREVOCABLE STANDBY LETTER OF CREDIT, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH IT, SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH HONG KONG LAW. NO RIGHTS ARE CONFERRED ON ANY PERSON UNDER THE CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE (CAP 623) TO ENFORCE ANY TERM OF THE BOND, BUT THIS DOES NOT AFFECT ANY RIGHT OR REMEDY OR ANY PERSON WHICH EXISTS OR IS AVAILABLE APART FROM THAT ACT. WE AGREE (1) THAT THE COURTS OF HONG KONG HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTE (A “**DISPUTE**”) ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT (INCLUDING ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT), AND (2) THAT THE COURTS OF HONG KONG ARE THE MOST APPROPRIATE AND CONVENIENT COURTS TO SETTLE ANY DISPUTE AND, ACCORDINGLY, THAT WE WILL NOT ARGUE THAT ANY OTHER COURTS ARE MORE APPROPRIATE OR CONVENIENT. WE HAVE IRREVOCABLY APPOINTED COGENCY GLOBAL (HK) LIMITED AT UNIT B, 1/F, LIPPO LEIGHTON TOWER, 103 LEIGHTON ROAD, CAUSEWAY BAY, HONG KONG, AS OUR PROCESS AGENT IN HONG KONG TO RECEIVE SERVICE OF PROCESS IN ANY LEGAL ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN HONG KONG. IF FOR ANY REASON WE CEASE TO HAVE SUCH A PROCESS AGENT IN HONG KONG, WE WILL PROMPTLY APPOINT A SUBSTITUTE PROCESS AGENT AND NOTIFY THE TRUSTEE OF SUCH APPOINTMENT WITHIN 30 DAYS OF SUCH CESSATION. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

## APPENDIX A-1 FORM OF DEMAND

TO: EVERGROWING BANK CO. LTD CHONGQING BRANCH (SWIFT: HFBACNSD070)

NO.278 XINHUA ROAD YUZHONG DISTRICT, CHONGQING, CHINA

[DATE]

DEAR SIRS

RE: DEMAND UNDER THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] IN RESPECT OF THE CNY266,000,000 4.7 PER CENT. CREDIT ENHANCED BONDS DUE 2025 (THE “**BONDS**”) ISSUED BY CHONGQING BAZHOU CULTURAL TOURISM INDUSTRY GROUP CO., LTD. (THE “**ISSUER**”)

THE UNDERSIGNED IS A DULY AUTHORISED REPRESENTATIVE OF CMB WING LUNG (TRUSTEE) LIMITED WHICH IS HEREBY MAKING A DEMAND AS TRUSTEE FOR THE BONDHOLDERS (THE “**BENEFICIARY**”) UNDER YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] (THE “**IRREVOCABLE STANDBY LETTER OF CREDIT**”). CAPITALISED TERMS USED HEREIN BUT NOT DEFINED SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE IRREVOCABLE STANDBY LETTER OF CREDIT.

1. THIS DEMAND IS MADE IN CONNECTION WITH THE FOLLOWING:

- L] THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 4(B) (THE “**PRE-FUNDING CONDITION**”) IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION.
- L] AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE TRUSTEE HAS GIVEN NOTICE IN WRITING TO THE ISSUER IN ACCORDANCE WITH THE CONDITIONS THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS.

2. WE HEREBY DEMAND YOU TO PAY CNY[AMOUNT] REPRESENTING THE AGGREGATE OF (I) INTEREST ACCRUED UP TO THE DATE WHEN THE BONDS CEASE TO BEAR INTEREST PURSUANT TO THE CONDITIONS, (II) THE PRINCIPAL AMOUNT DUE IN RESPECT OF THE OUTSTANDING BONDS AND (III) ALL FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND ALL OTHER AMOUNTS INCURRED BY OR PAYABLE TO THE TRUSTEE UNDER OR IN CONNECTION WITH THE BONDS, THE TRUST DEED, THE ACCOUNT BANK AGREEMENT (AS DEFINED IN THE CONDITIONS) AND/OR ANY OTHER TRANSACTION DOCUMENTS RELATING TO THE BONDS WHICH IS DUE AND NOW OUTSTANDING.

3. WE HEREBY REQUEST YOU TO PAY THE ABOVE AMOUNTS AFTER YOU RECEIVE THIS DEMAND IN ACCORDANCE WITH THE IRREVOCABLE STANDBY LETTER OF CREDIT.
4. THE PROCEEDS OF THE DRAWING UNDER THIS DEMAND ARE TO BE CREDITED TO THE FOLLOWING ACCOUNT:

*[INSERT ACCOUNT DETAILS]*

FOR AND BEHALF OF

**CMB WING LUNG (TRUSTEE) LIMITED** AS TRUSTEE

BY:

NAME:

TITLE:

## ISSUER

**Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd.**  
(重慶巴洲文化旅遊產業集團有限公司)  
No. 265, Longzhou Avenue  
Banan District, Chongqing, China

## TRUSTEE

**CMB Wing Lung (Trustee) Limited**  
CMB Wing Lung Bank Building  
45 Des Voeux Road Central  
Hong Kong

## PRINCIPAL AGENT

**China Central Depository & Clearing Co., Ltd.**  
No. 10, Finance Street  
Xicheng District  
Beijing, PRC

## REGISTRAR AND TRANSFER AGENT

**China Central Depository & Clearing Co., Ltd.**  
No. 10, Finance Street  
Xicheng District  
Beijing, PRC

## PRE-FUNDING ACCOUNT BANK AND LC PROCEEDS ACCOUNT BANK

**CMB Wing Lung Bank Limited**  
CMB Wing Lung Bank Building  
45 Des Voeux Road Central  
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## LEGAL ADVISERS

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Hong Kong

## AUDITORS OF THE ISSUER

### *For the year ended 31 December 2020*

**Asia Pacific (Group) Certified Public Accountants**  
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(亞太(集團)會計師事務所(特殊普通合夥))  
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Beijing, PRC

### *For the year ended 31 December 2021*

**Zhongshenzhonghuan Certified Public**  
**Accountants LLP**  
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