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Confirmation of Your Representation: This Information Memorandum is being sent to you at your request and by accepting the e-mail and accessing the attached Information Memorandum, you shall be deemed to represent to Taizhou Oriental China Medical City Holding Group Co., Ltd. (泰州東方中國醫藥城控股集團有限公司) (the “**Company**” or the “**Issuer**”), Fosun Hani Securities Limited, Guoyuan Capital (Hong Kong) Limited and China PA Securities (Hong Kong) Company Limited (collectively, the “**Placing Agents**”) that (1) you and any customers you represent are outside the United States and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to the delivery of the attached Information Memorandum and any amendments or supplements thereto by electronic transmission.

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

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

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

You are reminded that you have accessed the attached Information Memorandum on the basis that you are a person into whose possession the attached Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Information Memorandum.

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Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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TAIZHOU ORIENTAL CHINA MEDICAL CITY HOLDING GROUP CO., LTD.

(泰州東方中國醫藥城控股集團有限公司)

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

U.S.\$50,000,000 6.30 per cent. Bonds due 2024

Issue Price: 100 per cent.

The 6.30 per cent. bonds due 2024 in the aggregate principal amount of U.S.\$ 50,000,000 (the “**Bonds**”) will be issued by Taizhou Oriental China Medical City Holding Group Co., Ltd. (泰州東方中國醫藥城控股集團有限公司) (the “**Issuer**” or the “**Company**”), a company incorporated under the laws of the People's Republic of China (the “**PRC**”). The Bonds will be issued through a private placement (the “**Transaction**”).

The Bonds will bear interest on their outstanding principal amount from and including 27 September 2021 (the “**Issue Date**”) at the rate of 6.30 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$31.5 per Calculation Amount (as defined in the terms and conditions of the Bonds (the “**Terms and Conditions of the Bonds**” and each a “**Condition**”)) on the Interest Payment Date (as defined in the Terms and Conditions of the Bonds) falling on 27 March and 27 September in each year, commencing 27 March 2022. All payments of principal, premium (if any) and interest by or on behalf of the Issuer shall be made free and clear of, and without set-off, counterclaim, withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC 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*”.

Application will be made to The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of, and permission to deal in, the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinion expressed or reports contained in this Information Memorandum. 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 merits of the offering of the bonds, the Issuer, the Group, its respective subsidiaries or the quality of disclosure in this Information Memorandum. For so long as such Bonds are listed on the SGX-ST and the rules of the SGX-ST so requires, such Bonds will be traded on the SGX-ST in a minimum board lot size of at least U.S.\$200,000.

The Issuer will undertake that it will (i) within fifteen Registration Business Days after the Issue Date, register or cause to be registered with SAFE the Bonds (the “**Foreign Debt Registration**”) pursuant to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, effective as of 13 May 2013, the Circular of the People's Bank of China on Implementing Macro Prudential Management of Full-covered 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) (the “**Cross Border Financing Circular**”), (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE on or before the Registration Deadline (as defined in the Terms and Conditions of the Bonds), and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds, including but not limited to, if applicable and any implementing measures promulgated thereunder from time to time.

The Issuer has made an application for the pre-issuance registration (the “**Pre-Issuance Registration**”) of the offering of the Bonds with the National Development and Reform Commission (the “**NDRC**”) in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改委關於推進企業發行外債備案登記制管理改革的通知) (發改外資[2015]2044號) (the “**NDRC Circular**”) issued by the NDRC and which came into effect on 14 September 2015. The Issuer has received an Enterprise Foreign Debt Pre-Issuance Registration Certificate dated 22 April 2021 from the NDRC, in connection with the Pre-Issuance Registration. Pursuant to the requirements of the NDRC Circular, the Issuer will be required to complete the filing in respect of the issue of the Bonds within 10 Registration Business Days (as defined in the Terms and Conditions of the Bonds) after the Issue Date. The Bonds will constitute direct, unsubordinated, unconditional 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.

The Bonds will mature on 27 September 2024 at their principal amount (the “**Maturity Date**”). The Bonds are subject to redemption, in whole, but not in part, at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption, at the option of the Issuer at any time on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 of the Terms and Conditions of the Bonds (which notice shall be irrevocable) and in writing to the Trustee (as defined in the Terms and Conditions of the Bonds) and the Principal Paying Agent (as defined in the Terms and Conditions of the Bonds), in the event of certain changes affecting taxes of PRC or any political subdivision or any authority thereof or therein having power to tax. At any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Bonds), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Bonds at a price equal to 101 per cent. (in the case of a redemption for a Change of Control Event) or at 100 per cent. (in the case of a No Registration Event) of their principal amount, together in each case with interest accrued to (but excluding) the Put Settlement Date (as defined in the Terms and Conditions of the Bonds). See “*Terms and Conditions of the Bonds — Redemption and Purchase*”.

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) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Bonds 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 form, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Bonds are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S.

For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this Information Memorandum, see “*Placement and Sale*”.

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

Investing in the Bonds involves risks. See “*Risk Factors*” beginning on page 9 for a discussion of certain factors to be considered in connection with an investment in the Bonds. Investors should be aware that there are various risks relating to the Bonds, the Issuer and its respective subsidiaries, their business and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Bonds.

The Bonds will not be rated.

The Bonds will initially be evidenced by a global certificate (the “**Global Certificate**”) in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”).

Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except in the limited circumstances described in the Global Certificate, certificates for the Bonds will not be issued in exchange for interests in the Global Certificate.

Placing Agents

Fosun Hani

Guoyuan Capital

China PA Securities (Hong Kong)
Company Limited

Information Memorandum dated 23 September 2021

NOTICE TO INVESTORS

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.

The Issuer, having made all reasonable enquiries, confirms that (i) this Information Memorandum contains all information with respect to the Issuer and its subsidiaries (together with the Issuer, the “**Group**”) and the Bonds 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 Group and the Bonds and is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attaching to the Bonds); (ii) the statements contained in this Information Memorandum are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Information Memorandum with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Group, the Bonds, the transaction documents in relation to the Bonds, the omission of which would, in the context of the issue and offering of the Bonds make any statement in this Information Memorandum 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 Information Memorandum; (vi) this Information Memorandum 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 Information Memorandum, are based on or derived or extracted from sources which the Issuer believes to be accurate and reliable in all material respects.

This Information Memorandum has been prepared by the Issuer solely for information purposes. By accepting this document, you agree to maintain absolute confidentiality regarding the information disclosed in this document. This document may not be taken away, reproduced or redistributed, in whole or in part, to any other person without the prior written consent of each placing agent or financial institution participating, advising or otherwise involved in any proposed placement of the Bonds of the Issuer or any of its subsidiaries or affiliates. This Information Memorandum does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire any Bonds in any jurisdiction or an inducement to enter into investment activity. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Placing Agents, the Trustee or the Agents (as defined in the Terms and Conditions of the Bonds) or any of their respective affiliates, directors, officers, employees, representatives, agents, advisers or any person who controls any of them, have independently verified any of the information herein, make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, nor shall they have any liability for such information. None of the Issuer, the Placing Agents, the Trustee or the Agents, or any of their respective affiliates, directors, officers, employees, representatives, agents, advisers or any person who controls any of them, shall have any liability whatsoever (in contract, tort, strict liability, negligence or otherwise) for any direct, indirect, incidental, consequential, punitive, special damages or loss howsoever arising from any use of this document or its contents or otherwise arising in connection with the document.

Any securities, financial instruments or strategies mentioned herein may not be suitable for all investors. Each potential purchaser of any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subsidiaries and affiliates. Recipients of this document are deemed to represent that they possess, either individually or through their advisers, sufficient investment expertise to understand the risks involved in dealing with any such Bonds or financial instruments. The information contained in this Information Memorandum should be considered in the context of the circumstances

prevailing at the time and has not been and will not be updated to reflect material developments which may occur after the date of this Information Memorandum. None of the Issuer or any of its subsidiaries or the Placing Agents, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents, advisers or any person who controls any of them, intend or have any duty or obligation to supplement, amend, update or revise any statements contained in this document.

Any reference to particular proposed terms of any issue of Bonds is intended as a summary and not a complete description. Terms or characteristics may change before closing and the issue of Bonds may not proceed. No consideration has been given to particular investment objectives, finances or needs of any recipient. This Information Memorandum is not intended to provide and should not be relied upon for tax, legal or accounting advice, investment recommendations or a credit or other evaluation regarding the Bonds. Any investment decision to purchase Bonds in the context of a proposed placement, if any, should be made exclusively on the basis of the final terms and conditions of the Bonds and each investor's own diligence in relation to such a placement and not on the basis of this Information Memorandum. Prospective investors should consult their tax, legal, accounting or other advisers.

CERTAIN DEFINITIONS AND CONVENTIONS

This Information Memorandum is prepared using a number of conventions, which should be considered when reading the information contained herein. When using the term the “**Issuer**” or the “**Company**”, Taizhou Oriental China Medical City Holding Group Co., Ltd. (泰州東方中國醫藥城控股集團有限公司) itself is being referred to, and the term the “**Group**” and words of similarity refer to Taizhou Oriental China Medical City Holding Group Co., Ltd. and its subsidiaries, as the context requires.

This Information Memorandum summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents. In making an investment decision, each investor must rely on its own examination of the Group and the terms of the offering and the Bonds, including the merits and risks involved. In this Information Memorandum, unless otherwise specified or the context otherwise requires, all references to the “**PRC**” and “**China**” are to the People’s Republic of China (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, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or where the context requires, any of them; 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 “**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. This Information Memorandum contains translation of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise specified, where financial information in relation to the Issuer has been translated into U.S. dollars, it has been so translated, for convenience only, at the rate of RMB6.5518 to U.S.\$1.00 (the noon buying rate in New York City on 31 March 2021 as set forth in the weekly H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York). No representation is made that the Renminbi amounts referred to in this Information Memorandum could have been or could be converted into U.S. dollars at any particular rate or at all, or vice versa.

References to “**Administrative Committee**” are to the Taizhou Medical New & Hi-tech Industrial Development Zone Administrative Committee (泰州醫藥高新技術產業開發區管理委員會).

References to “**Department of Finance**” are to the Department of Finance of Jiangsu Province (江蘇省財政廳).

References to “**NDRC**” are to the National Development and Reform Commission of the PRC or its competent local counterparts.

References to “**Taizhou Medical NHZ**” are to the Taizhou Medical New & Hi-tech Industrial Development Zone (泰州醫藥高新技術產業開發區).

References to “**Taizhou Municipal Government**” are to the Taizhou Municipal People’s Government (泰州市人民政府).

Reference to “**Jiangsu Provincial Government**” are to the Jiangsu Provincial People’s Government (江蘇省人民政府).

References to “**PBOC**” are to the People’s Bank of China, the central bank of the PRC.

References to “**SAFE**” are to the State Administration of Foreign Exchange of the People’s Republic of China or its competent local counterparts.

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.

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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”.

Issuer	Taizhou Oriental China Medical City Holding Group Co., Ltd. (泰州東方中國醫藥城控股集團有限公司).
Group	Issuer together with its subsidiaries.
Issue	U.S.\$50,000,000 aggregate principal amount of 6.30 per cent. bonds due 2024.
Issue Price	100 per cent.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Issue Date	27 September 2021.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 6.30 per cent. per annum, payable semi-annually in arrears in equal instalments of U.S.\$31.5 per Calculation Amount (as defined in the Terms and Conditions of the Bonds) on 27 March and 27 September in each year (each an “ Interest Payment Date ”), commencing on 27 March 2022.
Maturity Date	27 September 2024.
Use of Proceeds	See “ <i>Use of Proceeds</i> ”.
Status	The Bonds will constitute direct, unsubordinated, unconditional 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.
Events of Default	Upon the occurrence of certain events of default, as further described in “ <i>Terms and Conditions of the Bonds — Events of Default</i> ”, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution, shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if

applicable) with any accrued but unpaid interest.

Cross-Default..... The Bonds are subject to a cross-acceleration provision in relation to the Issuer and its subsidiaries as further described in Condition 9(a)(iii) (*Cross-Acceleration*) of the Terms and Conditions of the Bonds, respectively.

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 taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong, the PRC 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, as further described in Condition 8 (*Taxation*) of the Terms and Conditions of the Bonds.

Where such withholding or deduction is made by the Issuer by or within the PRC at a rate of up to and including the aggregate rate applicable on 23 September 2021 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding by or within the PRC in excess of the Applicable Rate, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond, as further described in Condition 8 (*Taxation*) of the Terms and Conditions of the Bonds.

Final Redemption..... Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 27 September 2024.

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 (*Notices*) of the Terms and Conditions of the Bonds and in writing to the Trustee and the Principal Paying Agent (which shall be irrevocable), at their principal amount (together with interest accrued up to, but excluding, the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 (*Taxation*) of the Terms and Conditions of the Bonds as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent

jurisdiction), which change or amendment becomes effective on or after 23 September 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions of the Bonds.

Redemption for Relevant Events ... Following the occurrence of Relevant Events, the holder of any Bond will have the right (the “**Relevant Event Put Right**”), at such Bondholder’s option, to require the Issuer to redeem all, but not some only, of such Bondholder’s Bonds on the Put Settlement Date (as defined in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and Conditions of the Bonds) at 101 per cent. (in the case of a redemption for a Change of Control Event) or at 100 per cent. (in the case of a No Registration Event) of their principal amount, together in each case with interest accrued up to (but excluding) the Put Settlement Date, as further described in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and Conditions of the Bonds.

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

- (i) (x) Jiangsu Provincial Government of the PRC, and (y) any other person directly or indirectly Controlled by the PRC Government, together cease to directly or indirectly hold or own 70.0 per cent. of the issued share capital of the Issuer;
- (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, except where such Person(s) (in the case of assets sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are directly or indirectly, wholly held or owned by the PRC Government;

“**Control**” means (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer’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;

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

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

the “**PRC Government**” means the central government of the PRC and its provincial, municipal and local counterparts;

“**Registration Conditions**” means the receipt by the Trustee of the Registration Documents as set forth in Condition 4(d) (*Undertakings*)

Relating to Notification of the Foreign Debt Registration and the NDRC Post-issue Filing) of the Terms and Conditions of the Bonds;

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

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

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

Trustee..... China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).

Registrar, Principal Paying Agent and Transfer Agent China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).

Governing Law and Jurisdiction ... Hong Kong law.

Listing Application will be made to the SGX-ST for the listing of, and permission to deal in, the Bond.

So long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for definitive Certificate. In addition, in the event that the Global Certificate is exchanged for definitive Certificate, an announcement of such exchange shall be made through the SGX-ST and such announcement will include all material information with respect to delivery of the definitive Certificate, including details of the Paying Agent in Singapore.

ISIN XS2392250630.

Common Code..... 239225063.

Legal Entity Identifier (LEI)..... 3003000SMTK0CMOWG528.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Information Memorandum 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 Issuer, the Group, the Group's business, the market in which the Group operates and the value of Bonds. PRC laws and regulations may differ from the laws and regulations in other countries. 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 believes that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may be affected by some factors that may not be considered as significant risks by the Issuer on information currently available to them or which they are currently unable to anticipate. All of these factors are contingencies which may or may not occur and the Issuer or the Group is not in a position to express a view on the likelihood of any such contingency occurring. This Information Memorandum 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 Information Memorandum.

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

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 Taizhou City, Jiangsu Province and the PRC.

The Group's businesses and assets are highly concentrated in Taizhou City, particularly in Taizhou Medical NHZ, focusing mainly on real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services. 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 of Taizhou City and the PRC. The PRC's economy has experienced rapid growth in the past 40 years. However, there has been a slowdown in the growth rate since the second half of 2013. According to the National Statistics Bureau of the PRC, the annual growth rate of the PRC's GDP slowed down from 7.7 per cent. in 2013 to 2.3 per cent. in 2020. During the same period, the annual growth rate of GDP in Taizhou City slowed down from 11.8 per cent. to 3.6 per cent. There is no assurance that the level of economic development in Taizhou City will continue to grow at the rates seen in recent years. Any continuing slowdown in the economic development in Taizhou City may affect the development plans for Taizhou Medical NHZ, which may decrease the demand for the Group's business and adversely affect the Group's business, financial condition, results of operations and prospects.

The development and growth potential of Taizhou City are also affected by the policies and priorities of the relevant local governments relating to city construction and urban development, particularly those affecting the municipal development of Taizhou City. During the past few years, Taizhou City experienced significant development, which has contributed to the growth of the Group's business operations. Accordingly, changes in policies and priorities affecting municipal development within Taizhou City, in particular Taizhou Medical NHZ, may have an effect on the demand for real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services within Taizhou Medical NHZ, which, if adverse to the Group, may result in a negative effect on the Group's business, financial condition, results of operations and prospects.

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 primarily include the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (Guo Fa [2014] No. 43) (關於加強地方政府性債務管理的意見(國發[2014]43號)) (“**Circular 43**”) issued by the State Council in September 2014, the Circular on Further Regulating the Debt Financing Behaviours of Local Government (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 China Banking Regulatory Commission (reorganised into the China Banking and Insurance Regulatory Commission) and the China Securities Regulatory Commission in 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 in May 2017, the Notice of the Ministry of Finance on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (Cai Jin [2018] No. 23) (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) (“**Circular 23**”) issued by the Ministry of Finance in March 2018, the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (Fa Gai Wai Zi [2018] No. 706) (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知(發改外資[2018]706號)) (“**Circular 706**”) jointly issued by the NDRC and the MOF in 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》) jointly issued by the General Office of the Central Committee of the Communist Party of China and the State Council in September 2018 (the “**Joint Opinion**”) and the Circular on Filing Requirements with respect to Application for Foreign Debt Issuance by Local State-owned Enterprises (Fa Gai Ban Wai Zi [2019] No. 666) (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) issued by the General Office of NDRC in June 2019 (“**Circular 666**”) 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 China Banking and Insurance Regulatory Commission (“**Circular 15**”) (Circular 43, Circular 50, Circular 87, Circular 23, Circular 706, the Joint Opinion, Circular 666 and Circular 15 together, the “**Debt Control Circulars**”).

Circular 50 reaffirmed the Circular 43 policy that local governments are not permitted to use any means other than bonds for debt financing and are prohibited from requesting or ordering enterprises to issue debt on their behalf. Circular 87 required that local governments and their departments shall not take advantage of or make up a contract for the government procurement of services in such a manner that conceals an underlying objective of raising funds for any construction project. Circular 23 and Circular 706 established policies for foreign debt issuance including exclusions on public assets being listed as enterprise assets and restrictions on making disclosure in the relevant disclosure documents that imply government endorsement of the issuance or an association with the government’s credit. The Joint Opinion, consistent with Circular 43 and Circular 50, bans local governments from engaging in “disguised” borrowing by using state-owned enterprises to issue corporate debt on their behalf. Circular 666 reiterates that a local state-owned enterprise shall fulfil responsibilities for repayment for foreign debts in the capacity of an independent legal person. A local government or its departments shall not directly repay or undertake to repay foreign debts of a local state-owned enterprise with fiscal funds, or provide guarantee for the foreign debts issued by a local state-owned enterprise.

In July 2021, the China Banking and Insurance Regulatory Commission 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 for financing its operating activities and to satisfy its cash needs for servicing its outstanding indebtedness. Pursuant to the terms of the Bonds and as required by the Debt Control Circulars, neither the Administrative Committee, the Taizhou 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 Company, and the obligations of the Company under the Bonds or the Trust Deed shall solely be fulfilled by the Company as an independent legal person. The liabilities of the Administrative Committee and the Taizhou Municipal Government are limited to its equity contribution in the Company. If the Company does not fulfil its obligations under the Bonds and the Trust Deed, the Bondholders will only have recourse against the Company, and not the Administrative Committee, the Taizhou Municipal Government or any other PRC governmental entity.

The PRC government may continue to release new policies or amend existing regulations to control the increase in local governmental debts in the PRC. There is no assurance that the Group's financing and business model and also 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.

The Administrative Committee and the Taizhou Municipal Government may exert significant influence on the Group, and may not act in the best interests of the Group.

The Company is a state-owned enterprise with 90 per cent. of its equity interest held by the Administrative Committee, a government organ of the Taizhou Municipal Government. The Company is ultimately controlled by the Taizhou Municipal Government. As a result, the Administrative Committee and the Taizhou Municipal Government are in a position to influence the Group's development plans, strategies and key business decisions in a manner intended to benefit the Taizhou Medical NHZ as a whole but which may not be in the best interest of the Group. The Administrative Committee and the Taizhou Municipal Government could also change its policies, plans, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the PRC's or Taizhou City's economic, political and social environment, its projections of population and employment growth. Any such change may have a material adverse effect on the Group's business, financial condition, 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 controlled by the Administrative Committee, the Company regularly receives financial supports and certain preferential treatments from the Administrative Committee and the Taizhou Municipal Government. These supports come in various forms, such as favourable policies, government subsidies, government grants, asset transfers and capital injections. See "Description of the Group — History and Development." However, according to PRC laws and regulations, the Administrative Committee as the shareholder of the Company shall bear the liability only to the extent of their capital contributions, hence the

Taizhou Municipal Government, as the ultimate controller of the Company, will not make any credit support in relation to the repayment of the Bonds, the repayment of which remains the sole responsibility of the Company. Furthermore, there is no assurance that the Administrative Committee and the Taizhou Municipal Government will continue to provide such supports to the Group or that the existing or other types of government supports will not be adjusted or terminated due to any change in government policies, intentions, preferences, views, expectations, projections, forecasts, opinions or otherwise. If any favourable incentive or government support which is currently available to the Group is reduced or discontinued in the future, the Group's business, financial condition, results of operations and prospects would be materially and adversely affected and the controlling relationship between the Group and its ultimate controller, namely the Taizhou Municipal Government does not necessarily correlate to, or provide any assurance as to the Group's financial condition. The repayment obligations under the Bonds remain the sole obligations of the Issuer.

The Group faces risks associated with contracting with public bodies, such as the Administrative Committee and the Taizhou Municipal Government.

As the core operating entity engaging in real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services in Taizhou Medical NHZ, a substantial part of the Group's business activities are conducted with various governmental authorities and their controlled entities in Taizhou City. A large portion of the Group's cash flow is generated from the funds paid by the Administrative Committee and the Taizhou Municipal Government. As such, the Group is exposed to certain inherent risks relating to dealing with public bodies, such as the Administrative Committee and the Taizhou Municipal Government. The local government's ability to meet its payment obligations for the projects that the Group undertakes largely depends on its fiscal revenue, 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 the Administrative Committee or the Taizhou Municipal Government to fulfil its contractual obligations or any adverse change to its policies may require the Group to change its business plans and materially affect its business and operating results. If there is any material disagreement between the Group and the Administrative Committee, the Taizhou Municipal Government or any of its controlled entities, 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 the Administrative Committee or the Taizhou Municipal Government may last for a long period of time and cost considerable financial and managerial resources. Any of these may severely damage the business relationships between the Group and the Administrative Committee, the Taizhou Municipal Government and its controlled entities affected, and in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's business may be affected by natural disasters, epidemics and other acts of God.

The Group's business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics and other acts of God which are beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. The occurrences of epidemics, such as the recent outbreak of coronavirus disease 2019 ("COVID-19") or the past occurrence of the Middle East Respiratory Syndrome, 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.

The outbreak of COVID-19 caused the delay in resumption of local business in the PRC after the Chinese New Year holiday and, as the outbreak extended, several countries have 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 Organization. The global outbreak of COVID-19 has created negative economic impact and increased volatility in the PRC and global market, which may in turn adversely affect the Group's business. Given the high uncertainties associated with the COVID-19 outbreak at the moment, it is difficult to predict how long these conditions will exist and the extent to which the Group may be affected. Should the disruption to the Group's

operations extend beyond a specified period, it may materially and adversely affect the Group's results of operations and financial condition and may also cause reputation damage. In addition, any further disruption to the Group's business activities may negatively affect its liquidity and access to capital.

Moreover, the PRC has experienced natural disasters like 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. Since the beginning of 2010, there have occurred severe droughts in southwestern 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.

Most of the Group's business operations are based in a single geographical region.

Most of the Group's business operations, including real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services, are located in Taizhou Medical NHZ. Any material region-wide adverse events may negatively impact the demand for real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services in Taizhou Medical NHZ of Taizhou City, which would in turn affect the revenue and profitability of the Group. Such adverse events include, but not limited to, changes in economic conditions and the regulatory environment, changes in the government's development plans and policies in Taizhou City, slowdown in the relevant sectors, decrease in investor confidence within the region, significant natural disasters and man-made 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 adverse events, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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. 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 plans, changes in general market conditions, the regulatory environment, governmental policies and the competition in certain sectors in which the Group operates. Any material adverse change in these factors may cause the Group to experience a capital shortfall. There is no assurance that 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.

Insufficient cash flow generated from the Group's operating activities will increase the reliance on external financing. 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 procure sufficient funds in a timely manner or to obtain external financing on commercially acceptable terms, or at all. In these cases, the Group may not be able to fund the capital expenditure necessary to implement its business plans and strategies, which may in turn have a material and adverse effect on its business, financial condition, results of operations and prospects.

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

The Group's operating income 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, the 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. Therefore, the Group's operating revenue and results of operations for any period may not be directly comparable with other periods and therefore may not be a useful indicator of its performance in the future.

The Group has historically experienced negative net operating cash flows.

The Group has historically recorded negative operating cash flows. The Group's negative net operating cash flows were largely attributable to the mismatch in the engineering construction projects between the development timetable which determines its expenditures and the buyback timetable which determines its revenue from the relevant projects. The Group will only start receiving payments from its customers upon the completion of the relevant project and such payment may be delayed due to various reasons which are beyond the Group's control. As the Group anticipates continued expansion of its engineering construction business, it expects to continue to require significant capital expenditure. There is no assurance that its negative operating cash flow will be resolved soon, if at all. Under such circumstances, the Group will continue to rely on external financing to satisfy its working capital and capital expenditure, which may increase its financial vulnerability and may adversely affect its financial condition, results of operations and prospects.

The Group's ability to make payments on and to refinance its indebtedness, including the Bonds, and to fund planned capital expenditures and project development will depend on the Group's ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Group's control. The Group's businesses might not generate sufficient cash flow from operations to enable it to pay its indebtedness, including the Bonds, or to fund the Group's other liquidity needs. The Group may need to refinance all or a portion of its indebtedness, including the Bonds, on or before maturity. However, the Group might not be able to refinance any of its indebtedness, including the Bonds, on commercially reasonable terms or at all. If the Group is unable to service its indebtedness or obtain refinancing on terms acceptable to the Group, it may be forced to adopt an alternative strategy that may include reducing or delaying capital expenditures, selling assets or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

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

The Group relies on bank loans and proceeds from bond issuances to satisfy a portion of its capital requirements and the Group has had a significant amount of outstanding indebtedness.

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

- requiring the Group to dedicate part of its operating cash flow to service its indebtedness before it receives government funding;
- 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 businesses and the industries in which it operates;
- limiting, together with the financial and other restrictive covenants of the Group's indebtedness, among other things, the Group's ability to borrow additional funds; and
- increasing the Group's vulnerability to adverse general economic and industry conditions.

As the Group's business scale continues to grow, its capital requirement and its reliance on external financing may continue to increase. The Group's financial performance and operating results may be materially and adversely affected if its cash flows and capital resources are insufficient to fund its debt service obligations. Failure to service the Group's debt could result in the imposition of penalties, including increases in rates of interest that the Group pays on its legal actions against the Group by its creditors, or bankruptcy.

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 restrictions on the Group or, as the case may be, the relevant subsidiary's business, that prohibit the borrower from incurring additional indebtedness unless it is able to satisfy certain financial ratios, restrict the borrower from creating security or granting guarantees or prohibit the borrower from changing its business and corporate structure, without the lender's prior consent. The ability of the Company or any of its relevant subsidiaries (as borrower) to meet such financial restrictions may be affected by events beyond its control. Such restrictions 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 Group'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 restrictions (including restrictions on future investments) and covenants in its current or future debt obligations and other agreements, a default under the terms of such agreements may occur. In the event of a default under such agreements, the holders of the debt could terminate their commitments to the Company or its subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing contracts entered into by the Company and 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 such agreements may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under other debt agreements. 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 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 that the Company or its subsidiaries would be able to find alternative financing. Even if the Company and its subsidiaries could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to the Company or, as the case may be, its subsidiaries.

The Group is exposed to risks in relation to the inventories it maintains.

The Group's inventories mainly comprise of invested and developed residential property projects at cost. Any interruption in the settlement of the projects could cause the Group's inventory to accumulate or depreciate in value, which may adversely affect the Group's businesses, financial condition, results of operations and prospects. In addition, development costs and costs of construction projects booked as inventories on the Group's consolidated balance sheet are illiquid assets and may 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 land and real properties it develops and its construction customers to pay for the projects developed by the Group. These factors may in turn be affected by the controlling measures of the PRC Government on real property investment and urban development 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 indebtedness, such as the Bonds, which in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, the Group makes provisions for impairment of fair value of inventories. 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 indebtedness, 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 and associated companies operating in different industries. Through these subsidiaries and associated companies, the Group engages in real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services and other businesses within Taizhou Medical NHZ. As such, the Group is exposed to risks associated with multiple businesses. 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.

In addition, successful operation of the Group's subsidiaries requires an effective management system. As the Group continues to grow its businesses 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 types of 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 real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services, are extensively regulated in the PRC. The operation of these business activities requires a number of approvals, licences and permits from different governmental authorities. For example, in a real estate development project progresses, the Group needs to obtain a construction land planning permit (建設用地規劃許可證), a land use right certificate, a construction project planning permit (建設工程規劃許可證) and a construction permit (建築工程施工許可證) before the Group commences construction of the relevant project. It takes time to obtain 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 the necessary approvals, licences or permits in a timely manner could result in delay or suspension of business operations, and a failure to obtain the necessary approvals, licences or permits may subject the relevant entities to regulatory or administrative penalties.

Governmental authorities may also adjust existing regulations or promulgate new regulations from time to time. The Group may encounter problems in obtaining 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 normally conduct regular or special inspections, investigations and inquiries. If any significant non-compliance is found by the governmental authorities, the Group's permits, licences and certificates may be suspended or revoked, and it may receive 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 may not successfully expand its businesses and implement its growth strategy.

The Group may from time to time expand its businesses to new industries and 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 can succeed in its business. As one of the Group's strategies, it plans to continue to expand businesses while maintaining sustainable growth of its existing businesses and create synergies among its business segments. The Group's ability to successfully develop its new businesses and implement this strategy depends on 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. The success of negotiations with respect to any particular project cannot be assured. There is no assurance that the Group will be able to successfully expand its businesses, implement its growth strategy, manage or integrate newly-acquired operations with the Group's existing operations. Failure to develop new businesses or implement the Group's growth strategy could have a material adverse effect on its business, financial condition, results of operations and prospects.

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 the real estate and commodity sales and engineering construction business. The Group generally selects independent contractors through an open tender process. However, there is no assurance that the services rendered by any of these independent contractors or subcontractors will always be satisfactory or meet the Group's quality and safety standards. If the performance of any independent contractor is not satisfactory, the Group may need to replace such contractor or take other actions to remedy the situation, which could adversely affect the cost and construction progress of its projects. Furthermore, the completion of its projects may be delayed, and the Group may incur additional costs in some cases due to a contractor's financial or other difficulties. In addition, the Group may be requested on short notice to undertake additional development projects such as infrastructure and public facility construction by the government, and there may be a shortage of contractors that meet the Group's quality requirements. Contractors may 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 or within budget. Any of these factors could have a material adverse effect on 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 development sector.

Since 2005, the PRC government has from time to time introduced various measures to curtail property speculation in response to concerns over, among other things, the increases in property investments and property price and the overheating of the property 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 and 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 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 real estate 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.

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

The Group relies heavily on its quality control systems to ensure the safety and quality of its projects and products. Therefore it needs to maintain an effective quality control system for the Group's real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion,

security services and financial services businesses and other operational activities. 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 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 projects undertaken by the Group 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.

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

Some of the Group's businesses, such as real estate development projects and engineering construction projects, are conducted under a business model where the Group undertakes project construction and the customers are responsible for the payment of the relevant costs and expenses. For such projects, the payments are usually made by instalments on an ongoing basis, the collection period is relatively long, and sometimes a portion of the agreed payment is paid only after the testing and inspection works are completed and approval for the project or a phase of the project is granted. However, the Group incurs costs such as material, equipment and labour costs, at the beginning of the project, on an ongoing basis and before achieving the relevant project milestones, and thus bears the risk of pre-paying costs and expenditures for each project. Therefore, any delay or default in the payments to the Group may increase the Group's cash flow 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 Information Memorandum, the Group has not experienced any significant delay in payments by the relevant parties in accordance with the agreed payment timetables. 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 face delays and cost overruns with the real estate development projects and engineering construction projects, which may adversely affect its results of operations.

There are a number of construction, financing, operating and other risks associated with the real estate development projects and engineering construction projects 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. Any of these 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 condition, results of operations and prospects.

Any failure by the Group to maintain relationships with its major suppliers or customers would have an adverse effect on the Group's commodity sales business.

The Group substantially relies on some major suppliers and customers for the commodity sales business. There can be no assurance that the Group will be able to maintain or improve its relationships with its major suppliers or customers, or that it will be able to continue to purchase products from these suppliers for these customers at current pricing and levels or at all. In addition, any decline in its major suppliers' or customer's businesses could lead to a decline in supply from these suppliers or a decline in demand from these customers. If any of the Group's major suppliers or major customers were to substantially reduce the size or value of the supply or the size or value of the demand, as the case may be, it provides or requests with the Group or terminate its business relationship with

the Group entirely, the Group may not be able to obtain supply from other suppliers to replace any such lost supply on comparable terms or at all or obtain demand from other customers to replace any such lost demand on comparable terms or at all. If any of these relationships were to be so terminated and the Group were unable to obtain replacement, the business, financial condition, results of operations and prospects of the Group may be materially and adversely affected.

The Group's commodity sales businesses are exposed to declines in the current and expected volumes of products' supply or demand, product prices and deterioration in economic and financial conditions.

The current and expected volumes of products' supply and demand which the Group has sold vary over time based on changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions, demand in end markets which the commodities are used, technological developments (including substitutions), fluctuations in global production capacity, global and 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 commodities or increase of volume of commodities in the market could materially adversely impact the Group's business, results of operations and earnings in its commodity sales business. In addition, a decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on the Group's business, results of operations or earnings. For example: the insolvency of key suppliers, particularly those with whom the Group has long-term supply or off-take contracts, could result in supply chain difficulties and/or unmatched commodity price exposures and/or a reduction in commodities available for the Group; and although most commodities' fixed pricing periods are relatively short, a significant reduction or increase in commodity 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 commodities on pre-agreed pricing terms.

The success of the Group's commodity sales business depends in part on its ability to identify and take advantage of arbitrage opportunities.

Many of the markets in which the Group operate are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the 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, 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 commodity trading business.

Property management and hotel operation, pharmaceutical promotion and security services are highly labour intensive and the Group relies on a stable supply of labour to provide its services; 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 business operations are labour intensive and it relies heavily on human resources for providing property management and hotel operation, pharmaceutical promotion and security 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 and hotel operation, pharmaceutical promotion and security services industries, particularly of personnel with specialised qualifications, the Group's business operations may be negatively affected. In addition, the Group's service 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 as the Group's employees may be required to work in dangerous environments. The Group provides its real estate and commodity sales, property management and hotel operation, leasing business, engineering construction, pharmaceutical promotion, security services and financial services through its own employees and they 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 car parks 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 providing such services, 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 illiquid nature and the lack of alternative uses of properties for lease could limit the Group's ability to respond to adverse changes in the performance of its properties

The Group currently holds several properties that it develops for rental purposes. Properties for lease are relatively illiquid compared to other types of investments such as publicly traded equity securities. As a result, the Group's ability to promptly sell one or more of its properties for lease in response to changing economic, financial and investment conditions is limited. The property market is affected by many factors that are beyond the Group's control, including general economic conditions, the availability of mortgage financing and the level of interest rates, and the Group cannot accurately determine the market price of its properties for lease nor is it able to predict whether it will be able to sell any of its properties for lease at the price or on the terms set by it, or whether any price or other terms offered by a prospective purchaser would be acceptable to the Group. In addition, properties for lease may not be readily convertible for alternative uses without substantial capital expenditure if the original function of such properties became unprofitable due to competition, age, decreased demand or other factors.

Similarly, for certain properties for lease to be sold, substantial capital expenditure may be required to correct defects or make improvements to the property due to factors, such as change in building regulations or as a result of age, compounding the effort and time required. These factors and any others that would impede the Group's ability to respond to adverse changes in the performance of its properties for lease could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may not be able to generate adequate returns on its properties held for lease and retain quality tenants

Property leasing is subject to various degrees of risk. The lease returns available from property leasing business depend, to a large extent, on the amount of capital appreciation generated, revenue earned from the rental of the relevant properties as well as the expenses incurred. Maximising yields from properties held for lease also depends to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose of properties for lease will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. The operating revenue derived from property leasing may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic maintenance, repair and re-letting.

The Group's commercial operation also competes for tenants with other properties based on, among other things, location, quality, maintenance, property management, rent levels and other lease terms. The Group cannot ensure that existing or prospective tenants will not choose other properties. Any future increase in the supply of properties which competes with the Group's would increase the competition for tenants and as a result the Group may have to reduce rent or incur additional costs to make its properties more attractive. If the Group is not able to retain its existing tenants or attract new tenants to replace those that leave or to lease its new properties, the Group's rental occupancy rates may decline and thus materially and adversely affect its business, financial condition and results of operations.

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

Under applicable PRC laws and regulations, 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) in August 2009 which reiterates its policy on idle land. Idle Land Disposal Measures (閑置土地處置辦法) became effective on 26 April 1999 and was amended on 1 July 2012, it stipulated 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 March 2021, the Group did not possess any land that had not commenced development within the time stipulated in the relevant land use rights grant contracts. However, the Group may have idle land 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.

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.

Some of the Group's businesses are labour intensive. The Group also relies on third-party contractors. 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. As a result of the PRC Labour Contract Law and the Regulations on Paid Annual Leave for Employees, the Group's labour costs (inclusive of those incurred by contractors) may increase.

Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees' employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non-fixed-term employment contracts under the PRC Labour Contract Law without cause. In the event the Group decides to significantly change or decrease 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.

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, which constitutes a significant portion of the Group's payments to its construction contractors, may fluctuate. Any increase in the cost of construction materials may result in additional costs to the Group and may lead to future increases in construction contract costs. Construction material costs have fluctuated in recent years. Any increase in the cost of any significant construction materials will adversely impact the Group's overall construction costs, which may pose an adverse effect on the profitability of the Group.

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 in the construction projects, the Group usually requires the contractors to maintain the insurance coverage for the projects, which the Group believes to be consistent with the relevant law and industry and business practice in the PRC. However, some of the above-mentioned operational risks may not be covered and even if covered by the insurance policies maintained by the contractors of the Group, 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 or not economically insurable. To the extent that the Company or any of its subsidiaries suffers loss or damage that is not covered by insurance or that 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 fines or suspension or revocation of the Group's licences or permits to conduct its business. 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 Information Memorandum, the Group has not experienced any significant non-compliance with applicable safety regulations or requirements. In addition, PRC laws and regulations are constantly evolving. There is no assurance that the PRC government will not impose additional or stricter laws or regulations, 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 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 directors of the Group and members of its senior management. If the Group loses the services of any

of the Group's 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 members of the Group's senior management, 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 new investment projects or business expansion. As the Group expands its business or 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 the events discussed above could lead to unexpected loss 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 systems and procedures are in place to identify and report on a timely basis the liquidity, foreign exchange, 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 current systems have a significant manual component. There are additional risks inherent in any manual risk management system, including human error. The reliability of the systems and the information generated from them 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 controls 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 the bribery activities;

- conducting any inside dealing; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

The Group's internal control procedures are designed to monitor its operations 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 may materially and adversely affect 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.

A material fluctuation in the interest rates may have a material impact on the Group's interest expenses and payables under its bank loans and in turn negatively affect its financing costs and results of operations. Since the outbreak of the global financial crisis in 2008, the PBOC started to lower the benchmark lending rates with an aim to encourage lending, increase liquidity in the market and promote the recovery of the PRC's economy. On 20 July 2013, pursuant to the Notice on Further Promoting the Market-oriented Interest Rate Reform (中國人民銀行關於進一步推進利率市場化改革的通知), the PBOC abolished the regulation of the benchmark lending rates for financial institutions and began allowing lending rates to be determined by financial institutions pursuant to market principles, known as the loan prime rate (the "LPR"). On 28 December 2019, the PBOC issued the Announcement on Matters Concerning the Shift of the Pricing Benchmark for Existing Floating Rate Loans to the LPR (存量浮動利率貸款的定價基準轉換為 LPR 有關事宜公告), which provides that financial institutions shall not be allowed to enter into floating rate loan contracts based on the benchmark lending rate as at 1 January 2020 and, in principle, the shift of pricing benchmark for existing floating rate loans should be completed before 31 August 2020. As at the date of this Information Memorandum, the Group has bank loans that bear interests based on either the benchmark interest rates or the LPR. Although the Group's financial condition and results of operations may benefit from a low-interest environment, there is no assurance that this environment will continue, nor can any assurance be given that the PRC government will not change or modify the measures in relation to interest rates in the future. In addition, any increase in the LPR by the PBOC in the future will increase the Group's financing costs and adversely affect its profitability, financial condition and results of operations.

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

The Company publishes annual, semi-annual and/or quarterly consolidated financial information in the PRC to satisfy its continuing disclosure obligations relating to its debt securities issued in the PRC according to applicable PRC regulations and rules of the stock exchanges on which the relevant securities are listed. The semi-annual and/or quarterly consolidated financial information of the Company is derived from the Group's management accounts and normally unaudited or unreviewed by independent auditors. Unless specifically included in this Information Memorandum, such financial information does not form part of this Information Memorandum, and should not be referred to or relied upon by potential investors to provide the same quality of information associated with any audited or reviewed financial information. The Company is not responsible to holders of the Bonds for

the financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information. The Company's published financial information in the PRC may be adjusted or restated by the Company to address retrospective impacts of subsequent changes in applicable accounting standards, the Company's accounting policies and/or applicable laws and regulations affecting the Group's financial reporting, to reflect the subsequent comments given by the independent auditors during the course of their audit or review or to correct errors in its published financial statements. Such adjustment or restatement may cause discrepancies between the financial information with respect to a particular period or date published in the past on the one hand and the financial information with respect to the same period or date subsequently published in the PRC or the relevant financial information (if any) contained in this Information Memorandum on the other hand.

Public corporate disclosure about the Company may be limited.

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

RISKS RELATING TO THE PRC

The PRC has experienced a slowdown in its economic development and the future performance of the PRC'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 the PRC's GDP slowed down from 7.7 per cent. in 2013 to 2.3 per cent. in 2020. In March 2016, Moody's and S&P changed the PRC'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 the PRC'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 the PRC'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, such as the United States and the European Union. For example, on 23 June 2016, the United Kingdom voted in a national referendum to withdraw from the European Union and in March 2017, the United Kingdom formally notified the European Council of its desire to withdraw from the European Union. There is substantial uncertainty relating to the implementation of the United Kingdom's exit or its impact on the economic conditions of other part of the world, such as the PRC's, 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. Therefore, there exists continued uncertainty for the overall prospects for the global and the PRC economies this year and beyond.

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

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

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

The 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, the PRC 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 the PRC 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.

For example, the NDRC issued the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (Fa Gai Wai Zi [2015] No. 2044) (國家發展改革委關於推進企業發行外債備案證記制管理改革的通知 (發改外資[2015] 2044 號), the "NDRC Circular") on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of more than one year, the enterprise must, prior to issuing such bonds, make filing with the NDRC so as to obtain a registration certificate from the NDRC in respect of the issuance. Such enterprise must also notify certain details of the bonds to the NDRC within 10 business days of the completion of the bond issuance. If there is a major difference between the actual situation of the foreign debts issued by the enterprises and the situation indicated in the record-filing and registration, an explanation shall be given with relevant information reported to the NDRC. The NDRC shall enter the poor credit record of an enterprise who maliciously and falsely reports the size of its foreign debts for record-filing and registration into the national credit information platform.

The NDRC Circular is a relatively new regulation, and uncertainties remain regarding its interpretation, implementation and enforcement by the NDRC and, in particular, there is a risk that the NDRC could in the future amend the rules relating to the NDRC Circular or the interpretation thereof (including with retroactive effect).

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.

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 Issuer or its directors or members of the Issuer's senior management who reside in the PRC in connection with judgments obtained in non PRC courts. 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 Issuer's directors and the members of its senior management may be located within the PRC. Therefore, it may not be possible for investors to effect service of process upon the Issuer 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 a 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 a 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 Issuer or the Issuer’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 Issuer or the Issuer’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.

PRC economic, political and social conditions, as well as government policies, 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 PRC economy differs from the economies of developed countries in many respects, including, among other things, level of government involvement, level of economic development, growth rate, foreign exchange controls and resource allocation.

The PRC economy is in the process of transitioning from a centrally planned economy to a more market-oriented economy. For more than three decades, the PRC Government has implemented economic reform measures to utilise market forces in the development of the PRC economy. In addition, the PRC Government continues to play a significant role in regulating industries and the economy through policy measures. The Group cannot predict whether changes in PRC economic, political or social conditions and in PRC laws, regulations and policies will adversely affect its business, financial condition, results of operations and prospects.

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 business, financial condition and results of operations may be adversely affected by:

- changes in PRC political, economic and social conditions;
- changes in policies of the PRC Government, including changes in policies in relation to the Group's business segments;
- changes in laws and regulations or the interpretation of laws and regulations;
- changes in the interest rates;
- measures that may be introduced to control inflation or deflation;
- changes in the rate or method of taxation;
- the imposition of additional restrictions on currency conversion and remittances abroad; and
- a reduction in tariff protection and other import restrictions.

Furthermore, the growth of the industries the Group is engaged in depends heavily on economic growth of the PRC. The Group cannot assure that the current growth rate of the PRC will be sustained in the future. From time to time, the PRC Government has implemented certain measures in order to prevent the PRC economy from experiencing excessive inflation. Such governmental measures may cause a decrease in the level of economic activity and have an adverse impact on economic growth in the PRC. If the PRC's economic growth fluctuates, the industries the Group is engaged in may also grow at a slower pace or even decline. Such events could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

The Issuer receives substantially all of its revenues in Renminbi, which currently is not a freely convertible currency. A portion of these revenues must be converted into other currencies to allow it to make payments on obligations denominated in currencies other than the Renminbi. However, the PRC Government may restrict future access to foreign currencies for current account transactions at its discretion. If this were to occur, the Group might not be able to pay dividends to the Bondholders in foreign currencies. On the other hand, foreign exchange transactions under capital account in the PRC continue to be not freely convertible and require the approval of the SAFE. These limitations could affect the Group's ability to obtain foreign currencies through equity financing, or to obtain foreign currencies for capital expenditures.

The value of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's political and economic conditions. On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. Since then, the PRC Government has made, and may in the future make, further adjustments to the exchange rate system. The PBOC announces in August 2015 the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for the trading against the Renminbi on the following working day. Following such announcement of the PBOC, in August 2015, the Renminbi was thrice devaluated, and its daily mid-point trading price was lowered significantly against the U.S. dollar. The currency devaluation of the Renminbi was intended to bring it more in line with the market by taking market signals into account. Renminbi depreciated significantly against the U.S. dollar following this August 2015 announcement by the PBOC. In January and February 2016, Renminbi experienced further fluctuations in value against the U.S. dollar. With an increased floating range of the Renminbi's value against foreign currencies and a more market-oriented mechanism for determining the mid-point exchange rates, the Renminbi may further appreciate or depreciate significantly in value against the U.S. dollar or other foreign currencies in the long-term.

Any significant appreciation of the Renminbi against the U.S. dollar or other foreign currencies may result in the decrease in the value of the Group's foreign currency-denominated assets. Conversely, any significant depreciation of the Renminbi may adversely affect the value of its businesses and its proceeds from the offering of the Bonds. In addition, there are limited instruments available for the Issuer to reduce its foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect the Issuer's businesses, financial conditions and results of operations of the Issuer.

The payment of dividends by the Issuer'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 Issuer's operations and to service its indebtedness depends upon dividends received from these subsidiaries, any legal restrictions on the availability and usage of dividend payments from the Issuer's subsidiaries may impact the Issuer'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 Information Memorandum with respect to the PRC, its economy or the relevant industry.

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

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 PRC. Substantially all of the Group's operating 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 the 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. 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 pay interests and/or principal to Bondholders or 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 proceeds from the offering of the Bonds will be received in U.S. dollars. As a result, any appreciation of Renminbi against the U.S. dollar or any other foreign currencies may result in the decrease in the value of the Group's foreign currency-denominated assets and the Group's proceeds from the offering of the Bonds. Conversely, any depreciation of Renminbi may adversely affect the Group's ability to service the Bonds.

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 2.0 per cent. On 11 August 2015, 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, a sub-institutional organisation of PBOC, published the China Foreign Exchange Trade System (CFETS) Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. Although starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, 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 any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of Renminbi into or outside the PRC. In addition, the value of Renminbi has depreciated significantly against the U.S. dollar since the end of 2015 and hit record lows since 2008 against the U.S. dollar in 2016. Following the gradual appreciation of Renminbi in 2017, Renminbi experienced a depreciation in value against U.S. dollar following a fluctuation in 2018 and a significant depreciation in the second half of 2019, and may remain fluctuating given the trade tensions between the PRC and the U.S. escalates. There can be no assurance that the Renminbi will not experience significant depreciation or appreciation against the U.S. dollar or against any other currency in the future. Furthermore, the Group may be required to obtain SAFE's approval before converting significant amounts of foreign currencies into Renminbi. As a result, any significant increase in the value of Renminbi against foreign currencies could reduce the value of the Group's foreign currency-denominated revenue and assets and could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO THE BONDS

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

The NDRC issued the NDRC Circular on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities and notify the particulars of the relevant issues within 10 working days after the completion of the issue of the securities. The NDRC Circular is silent on the legal consequences of non-compliance with the pre-issue registration requirement. The Issuer has obtained the NDRC pre-issuance registration certificate on 24 July 2019. Similarly, there is no clarity on the legal consequences of non-compliance with the post-issue notification requirement under the NDRC Circular. In the worst case scenario, such non-compliance with the post-issue notification requirement under the NDRC circular may result in it being unlawful for the Issuer to perform or comply with any of its obligations under the Bonds and the Bonds might be subject to enforcement as provided in Condition 9 (*Events of Default*) of the Terms and Conditions of the Bonds. Potential investors of the Bonds are advised to exercise due caution when

making their investment decisions. The Issuer has undertaken to notify the NDRC of the particulars of the issue of the Bonds within 10 Registration Business Days after the Issue Date.

In accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) (the “**Foreign Debt Registration Measures**”) and its operating guidelines issued by the SAFE on 28 April 2013, which came into effect on 13 May 2013, the Issuer shall complete foreign debt registration in respect of the issue of the Bonds with the local branches of SAFE in accordance with the relevant laws and regulations. Before such registration of the Bonds is completed, it is uncertain whether the Bonds are enforceable under the PRC laws and it may be difficult for Bondholders to recover amounts due from the Issuer, and the Issuer may not be able to remit the proceeds of the offering into the PRC or remit money out of the PRC in order to meet its payment obligations under the Bonds. Pursuant to article 27(5) of the Foreign Debt Registration Measures, a failure to comply with registration requirements may result in a warning and fine as set forth under article 48 of the Foreign Exchange Administrative Regulations (外匯管理條例) promulgated by the State Council in 2008. However, pursuant to article 40 of the Foreign Debt Administration Provisional Rules (外債管理暫行辦法) promulgated by MOF, the NDRC and SAFE, a failure by a domestic entity to register a foreign debt contract will render the contract not legally binding and unenforceable. Under the Terms and Conditions of the Bonds, the Issuer has undertaken to use its best endeavours, and it intends, to complete the registration of the Bonds with SAFE within 120 calendar days after the Issue Date. If the Issuer is unable to complete the registration with the local branches of SAFE, the Issuer may have difficulty in remitting funds offshore to service payments in respect of the Bonds and investors may encounter difficulties in enforcing judgments obtained in the Hong Kong courts with respect to the Bonds and the Trust Deed in the PRC. In such circumstances, the value and secondary market price of the Bonds may also be materially and adversely affected.

According to Notice of People’s Bank of China on Matters Concerning Macro-prudential Management on All-round Cross-border Financing (Yin Fa [2017] No.9), the Issuer shall file the information of relating to the Bonds in the capital project information system with the SAFE. The Issuer, after filing with SAFE, may carry out relevant capital settlement for the Issuer according to the withdrawal and repayment arrangement, report the relevant clearing information to the relevant systems of the PBOC and SAFE, and update the information on the transaction in relation to the Bonds (including offshores creditors, maturity, amount, interest rate and net assets). If the audited net assets, the foreign creditors involved in the financing contract, the term of the loan, the amount and interest rates have changed, the Issuer shall file the changes in a timely manner. If the Issuer fails to report or update the cross-border financing information in time, the PBOC and SAFE may circulate the criticism on the Issuer after verification, order a rectification, and impose sanctions according to the Law of the People’s Republic of China on People’s Bank of China and the Law of the People’s Republic of China on Foreign Exchange Control.

If any of these events were to occur, the Issuer’s assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Bonds. 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 have submitted to the exclusive jurisdiction of the Hong Kong courts. Under the Choice of Court Arrangement, judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by the Reciprocal Arrangement. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by Hong Kong law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an

exclusive jurisdiction, the holders of the Bonds will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holder's ability to initiate a claim outside of Hong Kong will be limited.

The Bonds are unsecured obligations.

As the Bonds are unsecured obligations of the Issuer, 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 Issuer's secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's indebtedness.

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

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

Additionally, the investment activities of certain investors are subject to 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.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no trading market. Although application will be made for the listing 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 limited investors. Further, some investors may be affiliates of the Issuer. None of the Placing Agents is obligated to make a market in the Bonds, and if the Placing Agents do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

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

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

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

The price and trading volume of the Bonds may be volatile. Factors such as variations in the Issuer's consolidated revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rate fluctuations in prices for the securities of comparable companies, any adverse change in the credit rating, revenues, earnings or results of operations could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds trade. There is no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Bonds.

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

The Issuer may be unable to redeem the Bonds upon the due date for redemption thereof.

On the Maturity Date, the Bonds will be redeemed at their principal amount, or following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Bonds), the Issuer may, at the option of any Bondholder, be required to redeem all, but not some only, of such Bondholder's Bonds. On the Maturity Date or if any of such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds on the Maturity Date or in any of such events may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's other indebtedness.

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

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

The Bonds are the Issuer's unsecured obligations and will (i) rank at least equally in right of payment with all the Issuer's other present and future unsecured and unsubordinated obligations; (ii) be effectively subordinated to all of the Issuer's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's present and future subordinated obligations, subject in all cases to exceptions as may be provided by applicable legislation. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds, these assets will be available to pay obligations on the Bonds only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Bondholders rateably with all of the Issuer's other unsecured and unsubordinated creditors, including trade creditors. If there are insufficient assets remaining to pay all these creditors, then all or a portion of the Bonds then outstanding would remain unpaid.

The insolvency laws of the PRC may differ from those of another jurisdiction with which the Bondholders are familiar.

The Issuer is incorporated under the laws of the PRC. Any bankruptcy proceeding relating to the Issuer would likely involve PRC bankruptcy laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Bondholders are familiar.

If the Issuer is unable to comply with the restrictions and covenants in its debt agreements (if any), or the Bonds, there could be a default under the terms of these agreements, or the Bonds, which could cause repayment of the Issuer's debt to be accelerated.

If the Issuer is unable to comply with the restrictions and covenants in the Bonds, or current or future debt obligations and other agreements (if any), 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, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements of the Issuer, contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer under one debt agreement may cause the acceleration of repayment of debt, including the Bonds, or result in a default under its other debt agreements, including the Bonds. If any of these events occur, there can be no assurance that the Issuer's assets and cash flows would be sufficient to repay all of the Issuer's indebtedness in full, or that it would be able to find alternative financing. Even if the Issuer could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer.

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

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

The Terms and Conditions of the Bonds also 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 of the Bonds or any of the provisions of the Trust Deed or the Agency Agreement that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Terms and Conditions of the Bonds or any of the provisions of the Trust Deed or the Agency Agreement that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver, shall be binding on the Bondholders and, unless the

Trustee otherwise agrees, each such modification, authorisation, waiver, amendment, supplement or replacement shall be notified by the Issuer to the Bondholders as soon as practicable.

The Trustee may request 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 9 (*Events of Default*) of the Terms and Conditions of the Bonds and the taking of steps and/or actions and/or the instituting of proceedings against the Issuer pursuant to Condition 13 (*Enforcement*) of the Terms and Conditions of the Bonds), the Trustee may (at its sole discretion) request 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 Bondholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute any 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 on 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 (as defined in the Terms and Conditions of the Bonds) or the Conditions and in such circumstances or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements, the applicable laws and/or regulations, it will be for the Bondholders to take such actions and/or steps and/or institute such proceedings directly.

Gains on the transfer of the Bonds and interest payable by the Issuer to overseas Bondholders may be subject to income tax and value-added tax under PRC tax laws.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) which was last revised on 29 December 2018 (together with its implementation rules, the “**EIT Law**”), 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 enterprise holders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, there is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵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. As Bonds will be held in the Clearing System, it is not possible to ascertain the jurisdiction of the Bondholders.

Pursuant to the EIT Law, the PRC Individual Income Tax Law (中華人民共和國個人所得稅法) (the “**IIT Law**”) which took effect on 31 August 2018, and the implementation regulations in relation to both the EIT Law and IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders 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).

On 23 March 2016, MOF and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (財政部、國家稅務總局關於全面推開營業稅改征增值稅試點的通知) (Caishui [2016] No. 36) (“**Circular 36**”), which introduced a new value-added tax (“**VAT**”) from 1 May 2016 and partially amended thereafter. VAT is applicable where entities or individuals provide services within the PRC. The Issuer will be obligated to withhold VAT of up to 6 per cent. and certain surcharges (as described below) on VAT for payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals, although the Issuer will be required to pay additional amounts in accordance with the Terms and Conditions of the Bonds so that the amounts received by Bondholders are equal to the amounts which would otherwise have been receivable by them had no such withholding been required. Pursuant to the Interim Regulation of the PRC on City Maintenance and Construction Tax (中華人民共和國城市維護建設稅暫行條例(2011 修訂)), Regulations of Shaanxi Province on Interim Regulation of the PRC on City Maintenance and Construction Tax (陝西省《中華人民共和國城市維護建設稅暫行條例》實施細則), Interim Provisions on the Collection of Educational Surcharges (徵收教育費附加的暫行規定 (2011 修訂)), Notice of the Ministry of Finance on the Relevant Matters regarding Unifying the Policies on Local Education Surcharges (財政部關於統一地方教育附加政策有關問題的通知) and Administrative Measures on the Collection of Local Educational Surcharges in Shaanxi Province (陝西省地方教育附加徵收管理辦法), a city maintenance and construction tax of 7 per cent., an educational surcharge of 3 per cent. and a local educational surcharge of 2 per cent. will be applicable when entities and individuals are obliged to pay VAT (for an aggregate of 12 per cent. surcharge on any VAT payable). VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

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

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

The Bonds will be represented by beneficial interests in a Global Certificate. Such Global Certificate will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream (the “**Clearing Systems**”). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the relevant Clearing System for distribution to their direct account holders.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

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

of information that is available may not correspond to the level to which the Bondholders are accustomed.

Bondholders should be aware that a definitive certificate which has a principal amount that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

In relation to any Bond which has a principal amount consisting of a minimum specified denomination plus a higher integral multiple of another smaller amount, it is possible that the Bonds may be traded in amounts in excess of the minimum specified denomination that are not integral multiples of such minimum specified denomination. In such a case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than the minimum specified denomination will not receive a definitive certificate in respect of such holding (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more specified denominations. If definitive Bonds are issued, holders should be aware that a definitive certificate which has a principal amount that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

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

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued up to, but excluding, 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 the Terms and Conditions of the Bonds), as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions of the Bonds.

If the Issuer redeems the Bonds prior to the 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 issue additional Bonds in the future.

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

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

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

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

Notwithstanding the Group's extensive relationships with the PRC Government (including the Administrative Committee, Taizhou Municipal Government and any other entities controlled by them), the Issuer is not a part of the PRC Government. The PRC Government (including the Taizhou Municipal Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds in lieu of the

Issuer. This position has been reinforced by the Circular 23 and Circular 706. Both the Circular 23 and the Circular 706 do not, however, prohibit 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. In addition, the Issuer confirms that the Bonds are not and will not be deemed as implicit government debt as prohibited by Circular 15.

The detailed description of the relationships between the Issuer, the Administrative Committee and the Taizhou Municipal Government in this Information Memorandum does not imply in any way any explicit or implicit credit support of the Taizhou Municipal Government in respect of the Bonds. In addition, the relationship between the Issuer, the Administrative Committee and the Taizhou Municipal Government does not necessarily correlate to, or provide any assurances on the Issuer's financial conditions. The repayment obligations of the Bonds remains the sole responsibilities of the Issuer.

The PRC Government, as the ultimate shareholder of the Issuer, only has limited liability in the form of its equity contribution in the Issuer. As such, the PRC Government does not have any payment or other obligations under the Bonds. The Bonds are solely to be repaid by the Issuer (or, if the Issuer does not pay any sum payable by it under the Bonds) as an obligor under the relevant transaction documents and as an independent legal person. The Bondholders do not have any recourse against the PRC Government in respect of any obligation arising out of or in connection with the Bonds or the transaction documents.

TERMS AND CONDITIONS OF THE BONDS

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

The issue of the U.S.\$50,000,000 in aggregate principal amount of 6.30 per cent. bonds due 2024 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) was authorised by a resolution of the board of directors of Taizhou Oriental China Medical City Holding Group Co., Ltd. (泰州东方中国医药城控股集团有限公司) (the “**Issuer**”) passed on 25 February 2021 and a resolution of the shareholders of the Issuer passed on 31 August 2021. The Bonds are constituted by a trust deed (as amended, supplemented and/or replaced from time to time, the “**Trust Deed**”) dated 27 September 2021 (the “**Issue Date**”) between the Issuer and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as trustee (the “**Trustee**”, which expression shall include all persons for the time being appointed as trustee or trustees under the Trust Deed) for itself and the holders of the Bonds. These terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds are the subject of an agency agreement (as amended, supplemented and/or replaced from time to time, the “**Agency Agreement**”) dated 27 September 2021 among the Issuer, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “**Registrar**”, which expression shall include any successor thereof), as transfer agent (the “**Transfer Agent**”, which expression shall include any successor thereof) and as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor thereof) and any other agents named therein. References herein to “**Paying Agents**” includes the Principal Paying Agent and “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time with respect to the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions of the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Bondholders at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the principal office of the Trustee (being at the Issue Date at 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) following prior written request and proof of holding and identity satisfactory to the Trustee.

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 registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder. Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as otherwise 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, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

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

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

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

2 Transfers of Bonds

- (a) **Transfer:** A holding of Bonds may, subject to Condition 2(d), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds, the initial form of which is scheduled to the Agency Agreement. No transfer of title to a Bond will be valid unless and until entered on the Register. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (free of charge to the Bondholders and at the Issuer’s expense) by the Registrar to any Bondholder following prior written request and proof of holding and identity satisfactory to the Registrar.

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

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

Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.

- (c) **Formalities Free of Charge:** Certificates, on transfer or exercise of an option, shall be issued and registered, without charge, by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the relevant holder of any taxes, duties or other governmental charges that

may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require), (ii) the Registrar or the Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the relevant Transfer Agent being satisfied that the regulations 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 15 days ending on (and including) the due date for any payment of principal in respect of that Bond or redemption of that Bond, (ii) during the period of 15 days prior to (and including) the date of redemption pursuant to Condition 6(b), (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii)), or (iv) after the exercise of the put option in Condition 6(c).

3 Status

The Bonds constitute direct, unsubordinated, unconditional 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 law and regulations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4 Covenants

(a) **Financial Information:**

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

- (i) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) and a copy of the Audited Financial Reports within 180 days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in China (“**PRC GAAP**”) (audited by a nationally or internationally recognised firm of independent accountants) and if such statements shall be in the Chinese language, together with an English language translation of the same (at the Issuer’s cost) translated by (A) a nationally or internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate;
- (ii) a copy of the 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 language translation of the same (at the Issuer’s cost) and translated by (A) a nationally or internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate; and
- (iii) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) within 14 days of any request therefor from 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 4(a) and, if the same shall not be in the English language, shall not be required to

request or obtain or arrange for an English language translation of the same, and the Trustee shall not be liable to any Bondholder or any other person for not doing so.

- (b) **Undertakings relating to Foreign Debt Registration:** The Issuer undertakes that it will (i) within 15 Registration Business Days after the Issue Date, file or cause to be filed with SAFE the Bonds (the “**Foreign Debt Registration**”) pursuant to the Administrative Measures for Foreign Debt Registration and its operating guidelines issued by SAFE, effective as of 13 May 2013 and, if applicable, other requirements by SAFE that may be implemented from time to time and the Circular of the People’s Bank of China on Implementing Macro Prudential Management of Full-covered 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) (the “**PBOC Circular**”), (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline, and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds, including but not limited to the applicable PRC laws and regulations relating to the Foreign Debt Registration and any implementing measures promulgated thereunder from time to time.
- (c) **Undertaking relating to Notification to NDRC:** The Issuer undertakes that it will (i) within 10 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).
- (d) **Undertakings relating to notification of the Foreign Debt Registration and the NDRC Post-issue Filing:** The Issuer shall within five Registration Business Days after the later of the submission of the NDRC Post-issue Filing and receipt of the registration certificate from SAFE (or any other document evidencing the completion of the Foreign Debt Registration), provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory of the Issuer confirming the completion of the NDRC Post-issue Filing and the Foreign Debt Registration; and (ii) copies of the relevant documents evidencing the NDRC Post-issue Filing (if any) and the Foreign Debt Registration (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 and the Foreign Debt Registration.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation to monitor or ensure the Foreign Debt Registration is completed as required by Condition 4(b) or to assist with any filing pursuant to the PBOC Circular (if applicable or required as contemplated by Condition 4(b)) or the Foreign Debt Registration or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Foreign Debt Registration and/or any filing pursuant to the PBOC Circular and/or any Registration Documents or to give notice to the Bondholders confirming the completion of the Foreign Debt Registration, and shall not be liable to Bondholders or any other person for not doing so.

- (e) **Definitions:** In these Conditions:

“**Audited Financial Reports**” means, for a Relevant Period, the annual audited consolidated balance sheet, income statement and statement of cash flows 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;

"Compliance Certificate" means a certificate of the Issuer in English in substantially the form scheduled to the Trust Deed signed by an Authorised Signatory of the Issuer confirming 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 9) or Potential Event of Default (as defined in the Trust Deed) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
- (ii) the Issuer has complied with all its obligations under the Trust Deed and the Bonds, or if non-compliance had occurred, giving details of it;

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

"PBOC" means the People's Bank of China or its local counterparts;

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

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

"Registration Deadline" means the day falling 90 Registration Business Days after the Issue Date;

"Relevant Period" means (i) in relation to the Audited Financial Reports, each period of twelve 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 financial year (being 30 June of that financial year);

"SAFE" means the State Administration of Foreign Exchange of the PRC or its local counterparts; and

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

5 Interest

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 6.30 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$31.5 per Calculation Amount (as defined below) on 27 March and 27 September in each year (each an **"Interest Payment Date"**), commencing on 27 March 2022.

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

up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

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

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

6 Redemption and Purchase

- (a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 27 September 2024 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.
- (b) **Redemption for Taxation Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 16 and in writing to the Trustee and the Principal Paying Agent (which shall be irrevocable), at their principal amount (together with interest accrued up to but excluding the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 23 September 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

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

- (c) **Redemption for Relevant Events:** Following the occurrence of a Relevant Event, the holder of any Bond will have the right (the “**Relevant Event Put Right**”), at such holder’s option, to require the Issuer to redeem all, but not some only, of such holder’s Bonds on the Put Settlement Date (as defined below in this Condition 6(c)) at 101 per cent. in the case of a redemption for a

Change of Control or at 100 per cent. in the case of a No Registration Event of their principal amount, together in each case with interest accrued 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 any Paying Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent (a “**Put Exercise Notice**”), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following a Relevant Event or, if later and provided that the Issuer shall have given notice of a Relevant Event to Bondholders in accordance with Condition 16 of such Relevant Event, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16.

The “**Put Settlement Date**” shall be the fourteenth day (in the case of a redemption for a Change of Control) or the fifth Business Days (as defined under Condition 6) (in the case of a redemption for a No Registration Event) or, if such day is not a Payment Business Day (as defined in Condition 7(f)), the next following Payment Business Day after the expiry of such period of 30 days as referred to above.

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

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

- (i) the Put Settlement Date;
- (ii) the date of the Relevant Event;
- (iii) the date by which the Put Exercise Notice must be given;
- (iv) the redemption amount;
- (v) the names and addresses of all Paying Agents;
- (vi) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right; and
- (vii) that a Put Exercise Notice, once validly given, may not be withdrawn.

Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur, nor shall they be liable to Bondholders, the Issuer or any other person for not doing so. Neither the Agents nor the Trustee shall have any obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Registration Conditions or any documents in relation to or in connection with any Relevant Event, nor shall they be liable to Bondholders, the Issuer or any other person for not doing so. Neither the Agents nor the Trustee shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption or Put Exercise Notice, nor shall they be liable to Bondholders, the Issuer or any other person for not doing so.

- (d) **Purchase:** The Issuer and 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 Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the

purposes of calculating quorums at meetings of the Bondholders and for the purposes of Conditions 9, 12(a) and 13.

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

- (f) **Definitions:** 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 in Hong Kong, London, Beijing and New York City;

a **“Change of Control”** occurs when

- (i) (x) Jiangsu Provincial Government of the PRC, and (y) any other Person directly or indirectly Controlled by the PRC Government, together cease to directly or indirectly hold or own 70.0 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, except where such Person(s) (in the case of assets sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are directly or indirectly, wholly held or owned by the PRC Government.

“Control” means (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer’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;

a **“No Registration Event”** occurs when the Registration Conditions are not complied with on or before the Registration Deadline;

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

the **“PRC Government”** means the central government of the PRC and its provincial, municipal and local counterparts;

“Registration Conditions” means the receipt by the Trustee of the Registration Documents as set forth in Condition 4(d);

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

“Subsidiary” means, with respect to (i) any person, any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person; or (ii) any corporation, association and 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

“**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.

7 Payments

(a) **Method of Payment:**

- (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of the Principal Paying Agent or any other Paying Agent if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii) below.
- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the Business Day falling five Business Days before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in U.S. dollars by transfer to the registered account of the holder of such Bond. In this Condition 7, the “**registered account**” of a holder means the U.S. dollar account maintained by or on behalf of such holder with a bank, details of which appear in the Register at the close of business in the place of the Principal Paying Agent on the Record Date.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

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

- (b) **Payments Subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.
- (c) **Payment Initiation:** Payment instructions (for value on the due date, or if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and on or following which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar, and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Agents, subject to the provisions of the Agency Agreement, act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or

terminate the appointment of the Principal Paying Agent, the Registrar or the Transfer Agent and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, and (iii) a Transfer Agent, in each case as approved in writing by the Trustee.

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 Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).
- (f) **Non-Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the Bondholder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are generally open for business in Hong Kong, London, New York City, the place in which the specified office of the Registrar, the Transfer Agent or the Principal Paying Agent is located, the place where payment is to be made by transfer to an account maintained with a bank in U.S. dollars and the place on which foreign exchange transactions may be carried on in U.S. dollars in the principal financial centre of the country of such currency.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off, counterclaim, withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong, the PRC 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 by or within the PRC at a rate up to and including the aggregate rate applicable on 23 September 2021 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

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

- (a) **Other connection:** held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented (where presentation is required) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days.

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

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

Neither the Agents nor the Trustee shall in any event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, nor shall they be responsible or liable for any failure by the Issuer, any Bondholder or any person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information in relation to the Bonds, and nor would they permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9 Events of Default

If any of the following events (each an **“Event of Default”**) occurs, 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 have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued but unpaid interest:

(a) With Respect to the Issuer:

- (i) **Non-Payment:** there has been a failure to pay (A) the principal of or any premium (if any) of the Bonds when due or (B) interest on any of the Bonds when due 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 where such default gives rise to a right of redemption pursuant to Condition 6(c)) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days after notice of such default shall have been given to the Issuer by the Trustee); 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 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 9(a)(iii) have occurred in aggregate equals or exceeds U.S.\$20,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(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 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 the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts 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 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 any material part of the debts of the Issuer or any of the Principal Subsidiaries; or
- (vii) **Winding-up:** an order of any court of competent jurisdiction is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any of the Principal Subsidiaries (save for a voluntary solvent winding-up of any Principal Subsidiary), or the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial 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 (A) on terms approved by an Extraordinary Resolution of the Bondholders, or (B) in the case of a Principal Subsidiary of the Issuer, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer; or
- (viii) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries; 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 the Trust Deed, (B) to ensure that those obligations are legally binding and enforceable or (C) to make the Bonds and the Trust Deed 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) **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 Condition 9(a)(i) (inclusive).

In this Condition 9(a), “**Principal Subsidiary**” means any Subsidiary of the Issuer:

- (A) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement is at least five per cent. of the consolidated

revenue as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of revenue of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests;

- (B) whose gross profit or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross profit as shown by its latest audited income statement is at least five per cent. of the consolidated gross profit as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (C) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets as shown by its latest audited balance sheet are at least five per cent. of the amount which equals the amount included in the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer and its Subsidiaries including, for the avoidance of doubt, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests;

provided that, in relation to paragraphs (A), (B) and (C) above of this definition:

- (I) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are prepared, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (II) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, gross profit or total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;
- (III) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, gross profit or total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer;
- (IV) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (I) above of this definition) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer prepared for this purpose by the issuer; and
- (V) in the case of a Subsidiary to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary upon such transfer but shall cease to be a Principal Subsidiary at the date on which the first audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal

Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (A), (B) or (C) above of this definition.

A certificate signed by any Authorised Signatory of the Issuer confirming that a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee, the Agents and the Bondholders.

10 Prescription

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

11 Replacement of Certificates

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

12 Meetings of Bondholders, Modification and Waiver

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of the Bondholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Agency Agreement. 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 10 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 whatever the 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, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum 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 (i) in writing or (ii) by way of electronic consents through the relevant clearing systems, in each case signed or given by or on behalf of the holders of not less than 90 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 one or more Bondholders.

- (b) **Modification of these Conditions, Trust Deed and Agency Agreement:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of

any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, each such modification, authorisation, waiver, amendment, supplement or replacement shall be notified by the Issuer to the Bondholders in accordance with Condition 16 as soon as practicable.

- (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 and shall not have regard to the interests and 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 (save as provided in Condition 8) 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 discretion and without further notice, but shall not be obliged to, take any steps and/or actions and/or institute any proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement, these Conditions and/or the Bonds, but it need not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

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 and to be paid or reimbursed 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 and/or any entity related (directly or indirectly) to the Issuer without accounting for any profit, (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) retain any profit made or any other amount or benefit received thereby or in connection therewith without accounting for such profits.

The Trustee and the Agents may rely conclusively without liability to Bondholders, the Issuer or any other person on any report, confirmation, information or certificate from or any opinion or advice of any lawyers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to them 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 and the Agents 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 and the Bondholders. Neither the Trustee nor the Agents shall be responsible or liable to the Issuer, the Bondholders or any other person for any loss occasioned by relying or acting on or refraining from relying or acting on such report, information, confirmation, certificate, opinion or advice.

None of the Trustee or the Agents shall have any obligation to monitor compliance by the Issuer or any other person, as the case may be, with the provisions of the Trust Deed, the Agency Agreement or these Conditions, or ascertain whether an Event of Default, a Potential Event of Default or a Relevant Event has occurred or any event which could lead to the occurrence of a Relevant Event, nor shall they 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 Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from taking 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, to seek directions or clarification from the Bondholders by way of an Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from taking such action, making such decision, or giving such direction or certification where the Trustee is 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 or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction, request or resolution of the Bondholders. The Trustee shall be entitled to rely conclusively on any instructions, 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 or passed as otherwise provided in the Trust Deed.

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

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

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them, the timing for complying with the Registration Conditions and making of the Foreign Debt Registration and/or the filing of the Bonds pursuant to the PBOC Circular if applicable or required as contemplated by Condition 4(b)) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further bonds issued pursuant to this Condition 15. Any such further bonds shall be constituted by a deed supplemental to the Trust Deed.

16 Notices

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

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System (as defined in the form of the Global

Certificate), notices to the Bondholders shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by these Conditions and shall be deemed to have been given at the time of delivery to the relevant clearing system(s).

17 Contracts (Rights of Third Parties) Ordinance

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), but this does not affect any right or remedy of an indemnified party which exists pursuant to the provision of an indemnity.

18 Governing Law and Jurisdiction

- (d) **Governing Law:** The Bonds, the Trust Deed, the Agency Agreement, 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.
- (e) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed, irrevocably submitted to the exclusive jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- (f) **Agent for Service of Process:** The Issuer has, in the Trust Deed, irrevocably appointed COGENCY GLOBAL (HK) LIMITED at Unit B, 1/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong, to receive service of process in any Proceedings in Hong Kong. Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Issuer). If for any reason such agent ceases to be able to act as such or no longer has an address in Hong Kong, the Issuer irrevocably agrees to forthwith appoint a substitute process agent in Hong Kong and deliver to the Trustee a copy of the new agent’s acceptance of that appointment within 30 days of such cessation or of such agent no longer having an address in Hong Kong. Nothing shall affect the right to service process in any manner permitted by law.
- (g) **Waiver of Immunity:** The Issuer has waived any right to claim sovereign, crown, state 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.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness (both current and non-current portions), total equity and total capitalisation of the Issuer as at 31 March 2021 on an (i) actual basis and (ii) on an adjusted basis to give effect to the Bonds to be issued. The summary consolidated financial information below should be read in conjunction with the Issuer's consolidated financial statements and the notes to those statements included elsewhere in this Information Memorandum.

	Actual		As adjusted	
	(RMB'000)	(U.S.\$'000) ⁽¹⁾	(RMB'000)	(U.S.\$'000) ⁽¹⁾
Current indebtedness:				
Short-term loan	3,592,328.5	548,296.4	3,592,328.5	548,296.4
Other current liabilities	191.8	29.3	191.8	29.3
Non-current liabilities due within one year	1,289,666.7	196,841.6	1,289,666.7	196,841.6
Total current indebtedness	4,882,186.9	745,167.3	4,882,186.9	745,167.3
Non-current indebtedness:				
Long-term loan.....	3,366,469.9	513,823.7	3,366,469.9	513,823.7
Bonds payable	2,648,000.0	404,163.7	2,648,000.0	404,163.7
Bonds to be issued ⁽²⁾	-	-	327,590.0	50,000.0
Total non-current indebtedness ...	6,014,469.9	917,987.4	6,342,059.9	967,987.4
Total indebtedness⁽³⁾	10,896,656.8	1,663,154.7	11,224,246.8	1,713,154.7
Total owner's equity.....	6,866,678.3	1,048,059.8	6,866,678.3	1,048,059.8
Total capitalisation⁽⁴⁾	17,763,335.1	2,711,214.5	18,090,925.1	2,761,214.5

Notes:

- (1) For convenience only, all translation from Renminbi into U.S. dollars was made at the rate of RMB6.5518 to U.S.\$1.00, the exchange rate as at 31 March 2021 as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve Bank System of the United States.
- (2) This amount represents the aggregate principal amount of the Bonds to be issued, before deducting commissions and other estimated expenses payable in connection with the offering of the Bonds.
- (3) Total indebtedness equals the sum of current indebtedness and non-current indebtedness.
- (4) Total capitalisation represents the sum of total indebtedness and total owners' equity.

The Group issued bonds with an aggregate principal amount of U.S.\$50,000,000 due 2024 in September 2021. The Group may, from time to time, continue to issue debt securities in the capital market in the ordinary course of business to finance its operations and to refinance existing debt.

Save as disclosed above, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group since 31 March 2021.

USE OF PROCEEDS

The Issuer intends to use the proceeds for repayment of offshore indebtedness and replenishment of onshore working capital.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

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

Terms defined in the Terms and Conditions of the Bonds set out in this Information Memorandum have the meaning in the paragraphs below.

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

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

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive certificates if either Euroclear or Clearstream or any other clearing system (an “**Alternative Clearing System**”) 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.

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

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

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

Payment

So long as the Bonds are represented by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Calculation of Interest

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Bonds from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by such Global Certificate together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions of the Bonds, in accordance with the Terms and Conditions of the Bonds.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to Bondholders shall be given by delivery of

the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Terms and Conditions of the Bonds.

Meetings

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

Bondholder's Redemption

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

Issuer's Redemption

The option of the Issuer provided for in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions of the Bonds 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 of the Bonds.

Transfers

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

Cancellation

Cancellation of any Bond represented by the Global Certificate by the Issuer following its redemption or purchase by the Issuer and/or any of its Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee's Powers

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

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

DESCRIPTION OF THE GROUP

OVERVIEW

Founded in July 2010, the Group is the core entity in Taizhou Medical NHZ operating state-owned assets. The Group assumes important functions including resources integration, enhancement of state-owned assets value and construction and operation of infrastructure projects, providing quality facilities to enterprises and workers in Taizhou Medical NHZ. With the Administrative Committee as its sole shareholder, the Group has received strong financial and operational support from the Administrative Committee and the Taizhou Municipal Government.

The Group primarily conducts its business in Taizhou Medical NHZ. Established in 1996, Taizhou Medical NHZ was a provincial level economic development zone highly concentrated with start-up enterprises in various industries, including but not limited to medicine, electronic information, high-end equipment, photovoltaic, electromechanical, textile, new energy, petrochemical and building materials, forming a full industrial chain with integration of the core industries that has attracted many local and foreign enterprises. Taizhou Medical NHZ was subsequently upgraded to become a National Economic and Technological Development Zone (國家級經濟技術開發區) in 2009. Its full industrial chain and economic development potential have supported and will continue to support the business growth of the Group.

The Group has a diverse business portfolio and is mainly engaged in seven primary business segments, namely (i) real estate and commodity sales, (ii) property management and hotel operation, (iii) leasing business, (iv) engineering construction, (v) pharmaceutical promotion, (vi) security services, and (vii) financial services. The Group also engages in other business to supplement its primary business, such as technical services, advertisement and production services, swimming and fitness services, convention and exhibition services, conference services and catering services.

COMPETITIVE STRENGTHS

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

- Well-positioned to leverage the excellent location of Taizhou Medical NHZ to achieve business growth
- Strong support from the government and the Administrative Committee
- Diversified business portfolio with synergy between different business segments
- Sufficient capital from diversified financing channels
- Experienced senior management team and talented professionals

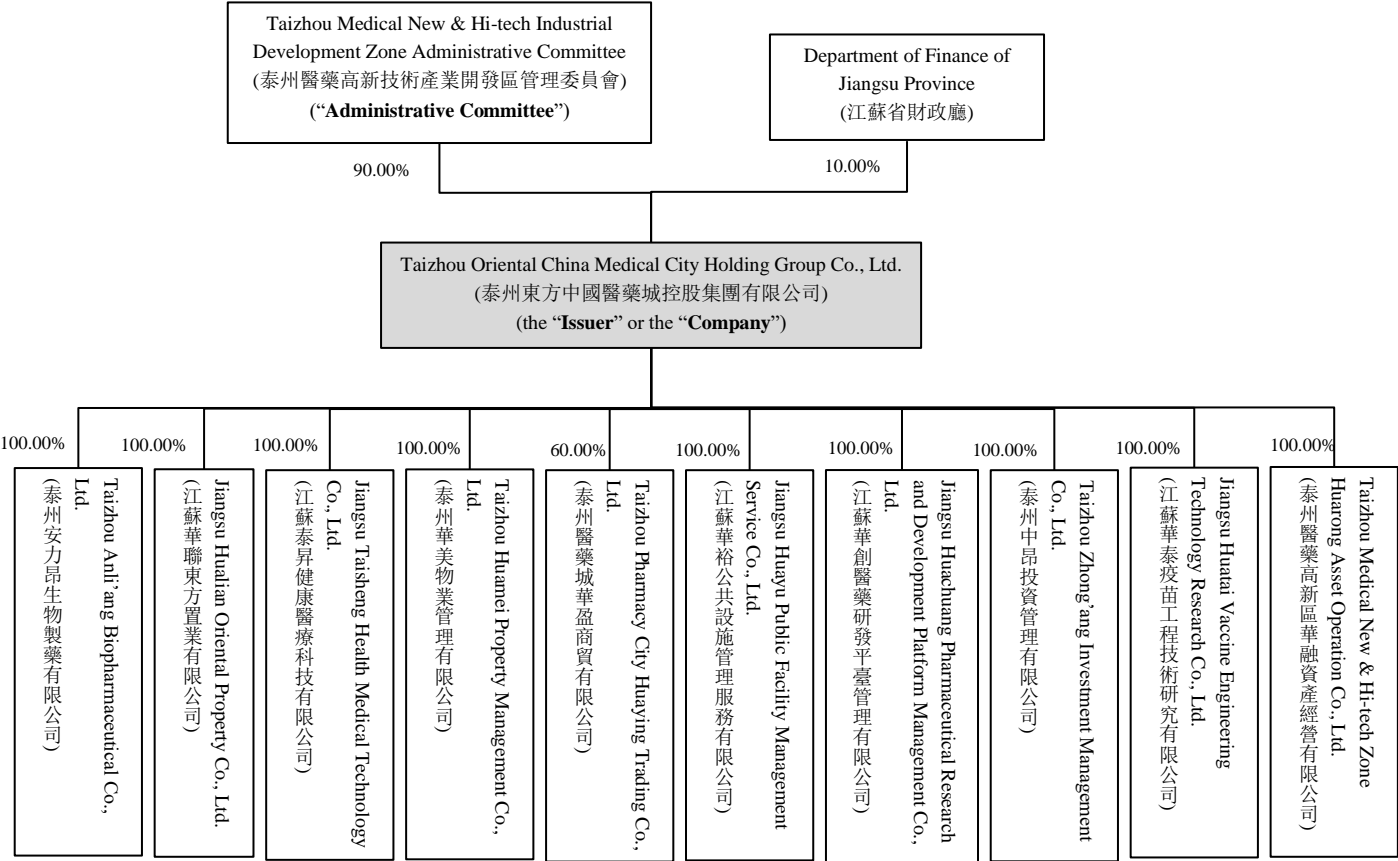
BUSINESS STRATEGIES

The Group intends to focus on the following business strategies:

- Focus on the further development of its core business and maintain its central role in Taizhou Medical NHZ and expand the scale and influence of Taizhou Medical NHZ
- Capitalise on the opportunities presented by the development of Taizhou Medical NHZ
- Continue to diversify the Group's business portfolio and expand into industries that provide synergies with the Group's core business
- Continue to diversify the Group's funding sources

GROUP STRUCTURE

The following chart presents a simplified corporate structure of the Group as at 31 March 2021:



HISTORY AND DEVELOPMENT

In July 2010, the Company's predecessor, Taizhou Taixin Medical Investment Co., Ltd. (泰州泰信藥業投資有限公司) was established with Taizhou Huaxin Medical Investment Co., Ltd. (泰州華信藥業投資有限公司) ("Huaxin Medical") as its sole shareholder. The Company was renamed as Taizhou Oriental China Medical City Holding Group Co., Ltd. (泰州東方中國醫藥城控股集團有限公司) in 2013. As at the date of this Information Memorandum, the Company had a registered capital of RMB2,716.1 million. The following table sets out selected milestone events in the history of the Company and the Group:

Year	Milestone Event
2010	<p>The Company's predecessor, Taizhou Taixin Medical Investment Co., Ltd. was established with Huaxin Medical as its sole shareholder. The Company's initial registered capital was RMB30.0 million.</p> <p>Huaxin Medical injected the share capital in amount of RMB1,056.1 million in cash to the Company. The Company's registered capital was increased to RMB1,086.1 million.</p> <p>Huaxin Medical injected the share capital in amount of RMB60.0 million in cash to the Company. The Company's registered capital was increased to RMB1,146.1 million.</p>
2011.....	Huaxin Medical injected the share capital in amount of RMB70.0 million in cash to the Company. The Company's registered capital was increased to RMB1,216.1 million.
2015	With the approval of the Taizhou Municipal Government, Huaxin Medical transferred 100.0 per cent. of equity interest in the Company to Taizhou Medical New & Hi-tech Industrial Park Administrative Committee (泰州醫藥高新技術產業園區管理委員會). After the transfer, the Taizhou Medical New & Hi-tech Industrial Park Administrative Committee became the sole shareholder of the Company.
2015	<p>With the approval of the Taizhou Municipal Government, Taizhou Medical New & Hi-tech Industrial Park Administrative Committee transferred 100.0 per cent. of equity interest in the Company to the Administrative Committee. After the transfer, the Administrative Committee became the sole shareholder of the Company.</p> <p>The Administrative Committee injected the share capital in amount of RMB1,000.0 million in cash to the Company. The Company's registered capital was increased to RMB2,216.1 million.</p>
2016	The Administrative Committee injected the share capital in amount of RMB500.0 million in cash to the Company. The Company's registered capital was increased to RMB2,716.1 million.
2020	With the approval of the Taizhou Municipal Government, the Administrative Committee transferred 10.0 per cent. of equity interest in the Company to the Department of Finance of Jiangsu Province. After the transfer, the Administrative Committee and the Department of Finance of Jiangsu Province held 90.0 per cent. and 10.0 per cent., respectively, of equity interest in the Company.

RELATIONSHIP WITH THE ADMINISTRATIVE COMMITTEE AND THE TAIZHOU MUNICIPAL GOVERNMENT

As a core state-owned enterprise based in Taizhou Medical NHZ of Taizhou City, the Group has extensive connections with other entities directly or indirectly controlled by the Administrative Committee and the Taizhou Municipal Government. The Group has been commissioned by the Administrative Committee and other local

governmental entities and agencies to participate in a great number of business operation projects, such as real estate and commodity sales, property leasing and engineering construction projects.

Notwithstanding the Group's extensive relationships with the Administrative Committee, the Taizhou Municipal Government and other entities controlled by them, the various social and community functions performed by the Group and the financial support received by it, the Company is not part of the government. It is operationally and financially separated from the Administrative Committee and the Taizhou Municipal Government. Its functions and departments are separate from those of the government and do not share any premises with the Administrative Committee or the Taizhou 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 separate from those of Administrative Committee and the Taizhou Municipal Government. The Administrative Committee as an equity holder of the Company is only responsible for the liability of the Company up to the limit of its equity contribution to the Company. None of the Administrative Committee, the Taizhou 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 Administrative Committee, the Taizhou Municipal Government 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 Company and the obligations of the Company under the Bonds or the Trust Deed shall solely be fulfilled by the Company as an independent legal person. This position has been reinforced by Circular 23 and Circular 706. 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 between the Company, the Administrative Committee and the Taizhou Municipal Government in this Information Memorandum does not imply in any way any explicit or implicit credit support of the Administrative Committee or the Taizhou Municipal Government in respect of the Bonds. In addition, the relationship between the Company, the Administrative Committee and the Taizhou Municipal Government does not necessarily correlate to, or provide any assurances to the Company's financial conditions. The repayment obligation of the Bonds 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 and results of operations and prospects.*" and "*The Administrative Committee and the Taizhou Municipal Government may exert significant influence on 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 Businesses*".

DESCRIPTION OF THE GROUP'S BUSINESS

Overview

Founded in July 2010, the Group is the core entity in Taizhou Medical NHZ operating state-owned assets. The Group assumes important functions including resources integration, enhancement of state-owned assets value and construction and operation of infrastructure projects, providing quality facilities to enterprises and workers in Taizhou Medical NHZ. With the Administrative Committee as its sole shareholder, the Group has received strong financial and operational support from the Administrative Committee and the Taizhou Municipal Government.

The Group has a diverse business portfolio and is mainly engaged in seven primary business segments, namely (i) real estate and commodity sales, (ii) property management and hotel operation, (iii) leasing business, (iv) engineering construction, (v) pharmaceutical promotion, (vi) security services, and (vii) financial services. The Group also engages in other business to supplement its primary business, such as technical services, advertisement and production services, swimming and fitness services, convention and exhibition services, conference services and catering services.

Real Estate and Commodity Sales

Overview

The Group operates its real estate and commodity sales business primarily through its subsidiaries Jiangsu Hualian Oriental Real Estate Co., Ltd. (江蘇華聯東方置業有限公司) and Taizhou Medical City Huaying Trading Co., Ltd. (泰州醫藥城華盈商貿有限公司). The real estate and commodity sales business is an important source of income for the Group and it consists of two sub-segments, namely real estate development and sales and commodity sales.

Real Estate Development and Sales

Overview

The Group is a state-owned operating platform in Taizhou Medical NHZ mainly responsible for the development and construction of Taizhou Medical NHZ, including residential properties for sale and for lease, ancillary commercial properties and supporting facilities for pharmaceutical manufacturing. The Group operates its real estate sales business primarily through its subsidiary Jiangsu Hualian Oriental Real Estate Co., Ltd. which holds the real estate developer qualification (class 2) (房地產開發企業二級資質).

Business Model

The Group has a well-established real estate development process, which can be divided into three major stages, namely planning and design, land acquisition and development and marketing and sales:

- *Planning and design stage:* The Group prepares a feasibility report for each potential site which contains detailed analysis about the site's potential commercial value, potential land acquisition costs, construction budget and master planning. Policy trends and urban planning of the local government are some of the key factors to be taken into consideration in conducting the feasibility analysis.
- *Land acquisition and development stage:* The Group acquires a majority of its land through public tender, auction and listing-for-sale, and outsources the construction work of its real estate projects to external construction companies. Construction companies are often selected through a tender process. When assessing construction companies, the Group takes into consideration factors such as professional qualification, reputation and local expertise to ensure the quality of its projects.
- *Marketing and sales stage:* The Group formulates and implements marketing, sales and pricing strategies that vary from project to project. For real estate projects for specific purpose, the Group enters into a contract with its customer at the beginning of the project, pursuant to which the Group shall develop a real estate project that meet the specific requirements of the customer and sell the completed properties to designated groups at pre-determined prices as agreed between the customer and the Group. For self-marketing real estate projects, properties developed by the Group usually target either specific groups of people determined by the Administrative Committee or the community within Taizhou Medical NHZ and the mass market in Taizhou. Properties that target the said specific groups of people are often sold at discounted prices and the Group will be compensated by the Administrative Committee in the form of subsidies. Properties that target the community within Taizhou Medical NHZ and the mass market in Taizhou are priced and sold at prevailing market prices.

Project Description

Completed Projects

As at 31 March 2021, the Group had completed three real estate projects with a total GFA of approximately 550.7 thousand sq.m. All of the three completed real estate projects belongs to the same series, namely Oriental Windsor Town (東方溫莎小鎮花園), featuring a major complex located in Taizhou Medical NHZ that integrates residential and commercial services. The particulars of these completed projects are set forth as below:

Project	Date of	GFA	Saleable GFA	Costs
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	completion			incurred⁽¹⁾
		(thousand sq.m.)	(thousand sq.m.)	(RMB in millions)
Oriental Windsor Town Phase I (東方溫莎小鎮花園一期)	January 2010	185.4	54.0	213.0
Oriental Windsor Town Phase II (東方溫莎小鎮花園二期)	September 2013	124.8	91.9	450.0
Oriental Windsor Town Phase III (東方溫莎小鎮花園三期)	March 2016	240.5	239.6	1,345.0
Total		550.7	385.5	2,008.0

Notes:

(1) Represents the actual development costs incurred based on the Group's internal records.

Projects under Construction

As at 31 March 2021, the Group had three real estate projects under construction with a total GFA of approximately 616.9 thousand sq.m. The particulars of these projects are set forth as below:

Project	Expected date of completion	GFA	Costs incurred⁽¹⁾	Estimated total costs⁽²⁾
		(thousand sq.m.)	(RMB in millions)	(RMB in millions)
Century Homeland Real Estate Development Project (世紀家園房產開發項目)	December 2020	249.0	1,194.0	1,200.0
Taoyuanli Project (桃源裡項目)	April 2021	217.1	985.0	900.0
Oriental Windsor Town Phase IV (東方溫莎小鎮花園四期)	March 2023	150.8	784.0	1508.0
Total		616.9	2,964.0	3,308.0

Notes:

(1) Represents the actual development costs incurred based on the Group's internal records.

(2) Represents the estimated total development costs that the Group would incur for the project based on the Group's internal records. The actual development costs incurred upon completion may differ from the estimation.

Projects under Planning

As at 31 March 2021, the Group had no real estate project under planning.

Commodity Sales

The Group commenced its commodity sales business in 2016. The Group traditionally engages in the sales of health supplements and has now expanded its business to include the trading of electrolytic copper (電解銅) and ethylene glycol (乙二醇). The Group conducts its commodity sales business primarily through its subsidiary Taizhou Medical City Huaying Trading Co., Ltd.

The Group's commodity sales business substantially relies on consistent supply of commodity products by its upstream suppliers. At the procurement stage, the Group negotiates procurement contracts with upstream suppliers and all procurement contracts contain major terms such as price, amount, payment method and delivery. At the sales stage, the Group enters into sales contracts with its downstream customers. The selling price is usually determined by adding a specific markup percentage to the costs of procurement. The payback period for the Group's commodity sales business is generally seven months.

Property Management and Hotel Operation

Overview

The Group operates its property management and hotel operation business primarily through its subsidiaries Taizhou Medical High-tech Zone Huarong Asset Management Co., Ltd. (泰州醫藥高新區華融資產經營有限公司), Taizhou Huarong Property Management Co., Ltd. (泰州華融物業管理有限公司), Taizhou Medical City Property Management Co., Ltd. (泰州市醫藥城物業管理有限公司), Taizhou Shushijie Property Management Co., Ltd. (泰州舒世界物業管理有限公司) and Taizhou Holiday Oriental Hotel Management Co., Ltd. (泰州假日東方酒店管理有限公司). The property management and hotel operation business well complement other business segments of the Group and it consists of two sub-segments, namely property management and hotel operation.

Property Management

The Group manages a diverse portfolio of properties, comprising (i) residential properties, (ii) commercial properties and (iii) other properties, including office buildings and plants. Majority of properties managed by the Group are located in Taizhou Medical NHZ. The Group's property management business targets enterprises in Taizhou Medical NHZ. As at 31 March 2021, the Group's total GFA under management was approximately 3.7 million sq.m. The Group conducts its property management business primarily through its subsidiaries Taizhou Medical High-tech Zone Huarong Asset Management Co., Ltd., Taizhou Huarong Property Management Co., Ltd., Taizhou Medical City Property Management Co., Ltd. and Taizhou Shushijie Property Management Co., Ltd.

The Group enters into property management service contracts with tenants. Under a typical property management service contract, the Group charges property management fees on a lump sum basis or commission basis for property management services that it provides. The property management service contracts for plants generally have a fixed term ranging from five to ten years. The property management service contracts for commercial properties and office buildings generally have a fixed term ranging from three to five years. The Group collects property management fees from tenants quarterly or annually.

Hotel Operation

The Group invested RMB300 million in the construction of Holiday Inn, a high-end hotel conveniently located at the heart of Taizhou Medical NHZ. Holiday Inn occupies a total site area of 3,900 sq.m. and has an aggregate GFA of approximately 25,000 sq.m. The Group currently conducts its hotel operation business primarily through its subsidiary Taizhou Holiday Oriental Hotel Management Co., Ltd.

Holiday Inn has a total of 143 rooms offering various room types that cater to the needs of different customers. The hotel is also well equipped with several restaurants, private dining rooms, small- to large-sized meetings rooms, as well as exotic and luxury multifunction rooms that are capable of accommodating 400-500 attendees. The operating income from hotel operations mainly represents hotel room rent, dining fees and meeting venue booking fees generated from Holiday Inn. The average occupancy rate of Holiday Inn is 70 per cent. The average room rate of Holiday Inn ranges from RMB300 to RMB600.

Leasing Business

Overview

The Group operates its leasing business primarily through its subsidiaries Taizhou Medical City Huaying Trading Co., Ltd., Taizhou Oriental Town Business Management Co., Ltd. (泰州東方小鎮商務管理有限公司) and Jiangsu Huachuang Medical R&D Platform Management Co., Ltd. (江蘇華創醫藥研發平臺管理有限公司) ("Huachuang Medical"). The leasing business primarily consists of property leasing business, and to a lesser extent equipment leasing business.

Property Leasing

Overview

The Group conducts its property leasing business primarily through its subsidiaries Taizhou Medical City Huaying Trading Co., Ltd. and Taizhou Oriental Town Business Management Co., Ltd. The Group's property leasing business mainly involves the leasing of a diverse portfolio of properties including apartments, commercial properties and plants developed or acquired by the Group.

The Group generates rental income from the lease of a diverse portfolio of properties including apartments, commercial properties and plants developed or acquired by the Group. The Group holds these properties for capital appreciation and lease them to generate rental income.

Project Description

Completed Projects Held for Leasing

As at 31 March 2021, the Group had three completed projects held for leasing with a total rentable GFA of approximately 614.1 thousand sq.m. The particulars of these projects are set forth as below:

Project	Property type	Average rent	Rentable GFA (thousand sq.m.)	Occupancy rate (per cent.)
Oriental Windsor Town European Street (東方溫莎小鎮歐洲街)	Commercial complex	RMB500/sq.m./year	100.3	80.0
Youth Centre (青年中心).....	Apartment	RMB1500-2000/month	31.3	75.0
China Medical City Phase V Plant (中國醫藥城五期廠房).....	Plant	RMB156/sq.m./year	482.5	80.0
Total			614.1	

Projects Held for Leasing under Construction

As at 31 March 2021, the Group had two projects held for leasing under construction with an aggregate GFA of approximately 141.6 thousand sq.m. The particulars of these projects are set forth as below:

Project	Property Type	Year of commencement	Expected year of completion	Aggregate GFA (thousand sq.m.)	Total Investment ⁽¹⁾ (RMB in millions)
Community Centre (鄰里中心).....	Ancillary community facilities	2016	2020	36.3	511.0
Medical City Commercial Centre Project (醫藥城商業中心項目)	Mixed-use properties	2017	2020	105.3	970.0
Total				141.6	1,481.0

Notes:

- (1) Represents the estimated total costs that the Group would incur for the project based on the Group's internal records. The actual costs incurred upon completion may differ from the estimation.

Projects Held for Leasing under Planning

As at 31 March 2021, the Group has no project held for leasing under planning.

Equipment Leasing

The Group conducts its equipment leasing business primarily through its subsidiary Huachuang Medical. The equipment leasing business mainly involves the leasing of laboratory equipment owned by Huachuang Medical to pharmaceutical research and development companies and research laboratories in Taizhou Medical NHZ.

Huachuang Medical enters into operating lease agreements with its clients and generates rental income from the leased equipment.

Engineering Construction

Overview

The Group has undertaken a number of engineering construction projects within Taizhou City, such as construction of residences, kindergartens, office buildings and public housings. The Group generally constructs the relevant projects as a general construction contractor.

The Group conducts its engineering construction business primarily through a secondary subsidiary, namely Taizhou Pacific Construction Co., Ltd. (泰州市太平洋建設有限公司). The Group holds various types of professional qualifications for the engineering construction business, including real estate development and operation qualification (class 2) (房地產開發經營業務貳級資質) and engineering construction qualification (class 2) (建築施工資質二級).

Business Model

The Group generally enters into construction contracts with local state-owned enterprises where the essential terms, such as construction content and payment method, are agreed between parties. According to the construction contracts, the Group is responsible for financing, construction and engineering and management of the overall project construction progress and delivering projects within an agreed timetable in accordance with prescribed specifications. Upon the completion, inspection and acceptance of the entire project, a certain percentage of the total contract value will be paid by the customers by installment within a term of one to two years. Generally, five per cent. of the total contract value will be retained by the customers as quality assurance and will be paid to the Group upon expiration of the agreed quality assurance period.

Project Description

Completed Projects

As at 31 March 2021, the Group had completed three engineering construction projects with a total investment of approximately RMB1,236.9 million. The particulars of these completed projects are set forth as below:

Project Name	Year of commencement	Year of completion	Total GFA (thousand sq.m.)	Total investment ⁽¹⁾ (RMB in millions)
Gonghan Settlement Area Phase II (宮涵安置區二期)	2011	2012	135.3	401.0
Hailing Industrial Park Settlement Area Phase I (海陵工業園區安置區一期)	2014	2015	114.5	364.1
Taixing Four Seas As Home Farmer Centralized Settlement Area Construction Project (District A) (泰興市四海為家農民集中安置區建設工程(A區))	2015	2017	169.1	471.8
Total			418.9	1,236.9

Notes:

(1) Represents the actual costs incurred based on the Group's internal records.

Projects under Construction

As at 31 March 2021, the Group had two engineering construction projects under construction with an estimated total investment of approximately RMB353.0 million. The particulars of these projects are set forth as below:

Project Name	Year of commencement	Expected year of completion	Estimated total investment⁽¹⁾
<i>(RMB in millions)</i>			
High-performance Lithium-ion Battery Production Project (Phase II) (高性能鋰離子電池生產項目(二期)).....	2019	2020	187.0
Xianglan Bay Community Construction Project (Guaranteed Housing) (香蘭灣小區建設項目(保障性安置房)).....	2020	2022	166.0
Total			353.0

Notes:

- (1) Represents the estimated total costs that the Group would incur for the project based on the Group's internal records. The actual costs incurred upon completion may differ from the estimation.

Projects under Planning

As at 31 March 2021, the Group had no engineering construction project under planning.

Pharmaceutical Promotion

The Group conducts its pharmaceutical promotion business primarily through one subsidiary, Taizhou Medicine City Yingtai Medical Co., Ltd. (泰州醫藥城盈泰醫藥有限公司). Main pharmaceutical products promoted by the Group include (i) Libaoduo (裏葆多) (Doxorubicin hydrochloride liposome injection (鹽酸多柔比星脂質體注射液)), which is mainly used for patients with general skin and mucous membranes and visceral diseases and with AIDS-related Kaposi sarcoma, and (ii) Shusi (舒思) (Quetiapine Fumarate (富馬酸奎硫平)), which is a non-classic antipsychotic drug for the treatment of psychiatric diseases.

The Group provides pharmaceutical promotion services to pharmaceutical manufacturers and distributors. The Group's pharmaceutical promotion services involve various promotional activities which induce the prescription, supply, purchase and/or use of medicinal drugs, such as advertisements, one-to-one sales visits, free samples, sponsorship of educational and scientific events. According to the service agreements entered into between the Group and its customers, the Group is entitled to receive from its customers costs incurred in the promotion activities plus a certain percentage of service fees.

Security Services

The Group commenced its security services business since late 2019. The Group's security services business offers a variety of security service solutions, including without limitation safeguarding, escorting, labour dispatching and service outsourcing. The Group also engages in security ancillary businesses such as design, installation and maintenance of security and protection system as well as retail of technical protection products and security equipment.

The Group's security services are customized based on client needs and specific conditions, and may be provided on a single, multi-service or integrated basis. 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, labor costs and other costs incurred by the Group. 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.

Financial Service Business

The Group's financial service business mainly consists of guarantee, financial leasing and pawn.

Guarantee

The Group provides guarantee to medium- and small-sized enterprises in Taizhou Medical NHZ and is entitled to a sum of guarantee fee based on a certain percentage of the total guarantee amount.

Financial Leasing

The Group offers financial leasing to customers in Taizhou Medical NHZ primarily through sale-leaseback transaction.

Pawn Business

The Group primarily provides pawn services to construction enterprises which have business relations with the Group. Loans issued by the Group are primarily pledged with equity interests, real estates and accounts receivables.

Other Business

The Group also engages in other business to supplement its primary business, such as technical services, advertisement and production services, swimming and fitness services, convention and exhibition services, conference services and catering services.

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 Information Memorandum, 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 which 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 the date of this Information Memorandum, the Company had approximately 201 full-time employees. In accordance with the applicable regulations of local governments in regions where the Group has business operations, the Group makes contributions to 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 LICENCES

The Group's operations are subject to a variety of laws and regulations promulgated by the governments in which it operates. 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 licences, concessions, permits, or certificates.

LEGAL PROCEEDINGS

From time to time, the Group, together with its subsidiaries, may be involved in legal proceedings or other disputes in the ordinary course of its business. See the section headed “*Risk Factors — Risks 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 Information Memorandum, 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.

DIRECTOR, SUPERVISOR AND SENIOR MANAGEMENT

DIRECTORS

The board of directors of the Company (the “**Board**”) consists of four directors. The Board is primarily responsible for, among others, calling for and holding shareholder meeting and making reports to the shareholder, implementing the resolutions and decisions adopted in the shareholder meeting, determining the Company’s business plans and investment plans, formulating the Company’s annual financial budget plans and accounting plans, annual profit distribution plans and deficit covering plans, proposals in relation to the increase or decrease of registered capital, formulating plans on mergers, spin-off, change of corporate form and liquidation and dissolution in relation to the Company, determining the Company’s internal management structure and appointment and removal of senior management and formulating the basic management policies of the Company.

The following table sets forth certain information concerning the Company’s directors as at the date of this Information Memorandum:

Name	Age	Position/Title
Mr. ZHANG Lu (張路).....	53	Chairman of the Board and the general manager
Mr. HANG Xiang (杭祥).....	55	Director
Mr. WU Zhiqiang (吳誌強).....	40	Director and assistant to the general manager
Mr. DAI Meng (戴猛).....	39	Employee director and assistant to the general manager

Mr. ZHANG Lu (張路), aged 53, has been the chairman of the Board and the general manager of the Company since August 2019. Mr. Zhang previously served as the ledger accountant (總賬會計) and the financial manager (財務經理) of China Agricultural Machinery Zhongnan Co., Ltd (中國農業機械中南公司), the general manager and the vice president of Green Coll Refrigerant (China) Co., Ltd. (格林柯爾製冷劑(中國)有限公司), the chief financial officer of Yangzhou Asia Star Bus Co., Ltd. (揚州亞星客車股份有限公司), and the chief financial officer of Wuhan Zhuyeshan Middle Ring Trade City (武漢竹葉山中環商貿城有限公司). Mr. Zhang has obtained a bachelor’s degree.

Mr. HANG Xiang (杭祥), aged 55, has been a director of the Company since January 2018. Mr. Hang previously served as a staff member for credit facility (信貸科員) of the Credit Facility Department II (信貸二部), the deputy section chief (副科長) and subsequently the section chief (科長) of the Industry and Communication Credit Facility Division (工交信貸科) of the Credit Facility Department I (信貸一部), subsequently the head (deputy section-chief level) of the Sub-office Directly-subordinated to Tongyang Road (直屬通揚路分理處) of Bank of Communications, Yangzhou Branch (交通銀行揚州分行) (currently known as Bank of Communications Co., Ltd., Yangzhou Branch (交通銀行股份有限公司揚州分行)), the president (行長) (section-chief level) of Bank of Communications Yangzhou Branch, Lotus Pool Sub-branch (交通銀行揚州分行荷花池支行) (currently known as Bank of Communications Co., Ltd., Yangzhou Branch, Lotus Pool Sub-branch (交通銀行股份有限公司揚州分行荷花池支行)), the manager of the Preserving Department (保全部) of Bank of Communications Yangzhou Branch, the president of Bank of Communications, Yangzhou Branch, Guoqing North Road Sub-branch (交通銀行揚州分行國慶北路支行), and the chief officer for enterprise planning (企劃總監) of Shanghai Jinruida Asset Management Co., Ltd. (上海金瑞達資產管理股份有限公司). Mr. Hang has obtained a bachelor’s degree.

Mr. WU Zhiqiang (吳誌強), aged 40, has been a director and an assistant to the general manager of the Company since January 2018. Mr. Wu previously served as an investment counsel of Industrial Securities Co., Ltd. Nanjing Branch (興業證券股份有限公司南京分公司), an assistant to the chief officer (總監助理) of the Investment Department (投資部) of China Medical City Holding Group Co., Ltd. (中國醫藥城控股集團有限公司), an assistant to the general manager of Taizhou Medical City Hongtai Financing Guarantee Co., Ltd. (泰州醫藥城鴻

泰融資擔保有限公司), and an assistant to the general manager of Taizhou Medical City Hongsheng Technology Micro-loans Co., Ltd. (泰州醫藥城鴻昇科技小額貸款有限公司). Mr. Wu has obtained a bachelor's degree.

Mr. DAI Meng (戴猛), aged 39, has been an employee director and an assistant to the general manager of the Company since January 2018. Mr. Dai previously served as the manager for personnel (人事經理) of Zhongsheng Photoelectric Energy Co., Ltd. (中盛光電能源股份有限公司). Mr. Dai has obtained a bachelor's degree.

SUPERVISORS

The board of supervisors of the Company (the “**Supervisory Board**”) consists of five supervisors. The responsibilities of the Supervisory Board include, but not limited to, overseeing the Company's financial positions and implementing relevant laws, administrative regulations and other rules and regulations and supervising the Board and senior management in discharging their duties.

The following table sets forth certain information concerning the Company's supervisors as at the date of this Information Memorandum:

Name	Age	Position/Title
Mr. LI Xiaobing (李小兵)	46	Chairman of the Supervisory Board and financial manager
Mr. JI Changquan (冀昌權)	39	Supervisor and the chief officer of the Project Department
Mr. WANG Niancheng (汪念成)	46	Supervisor
Mr. GUAN Zejian (關澤建)	42	Employee supervisor and the head of the General Office
Mr. REN Guokun (任國坤)	44	Employee supervisor and the chief officer of the Human Resources Department

Mr. LI Xiaobing (李小兵), aged 46, has been the chairman of the Supervisory Board and the financial manager of the Company since January 2020. Mr. Li previously served as an accountant of Jiangsu Universal Welding Consumables Group Company (江蘇宇宙焊接材料集團公司), the financial director (財務主管) of Golden Hongye Paper (Suzhou Industrial Park) Co., Ltd. (金紅葉紙業(蘇州工業園區)有限公司) (currently known as Golden Hongye Paper Group Co., Ltd. (金紅葉紙業集團有限公司)), and the financial manager of Milannuo Sofa (Taizhou) Co., Ltd. (米蘭諾沙發(泰州)有限公司). Mr. Li has obtained a bachelor's degree.

Mr. JI Changquan (冀昌權), aged 39, has been a supervisor and the chief officer of the Project Department (項目部總監) of the Company since January 2020. Mr. Ji previously served as the deputy head of the Audit Department (稽核部) and the head for performance evaluation (績效考核主管), the head of the Security Department (安全部) (also known as Legal Audit Department (法務稽查部)) and the secretary of the Party Branch (黨支部書記), and subsequently the head of the Guangzhou Office (廣州辦事處主任) of Yangzi River Pharmaceutical Group Co., Ltd. (揚子江藥業集團有限公司), and the manager of the Personnel Administration Department (人事行政部) of the Company. Mr. Ji has obtained a master's degree.

Mr. WANG Niancheng (汪念成), aged 46, has been a supervisor of the Company since August 2019. Mr. Wang previously served as a cashier of Yangzhou Yiwei Materials Trading Co., Ltd. (揚州藝偉物資有限公司), the financial director of Suzhou Long Life Health Care Products Co., Ltd. Jiaxing Branch (蘇州郎力福保健品有限公司嘉興分公司), the pledger director (總賬主管) and an assistant to the division director (處長助理) of the Financial Control Division (財務控制處) of Yangzhou Asia Star Bus Co., Ltd., the financial manager of Beghelli (China) Lighting Electrical Co., Ltd. (百家麗(中國)照明電器有限公司), and the audit manager (審計經理) of Yangzhou Decheng Lianhe Accountant Firm (揚州德誠聯合會計師事務所). Mr. Wang has obtained a master's degree.

Mr. GUAN Zejian (關澤建), aged 42, has been an employee supervisor and the head of the General Office (辦公室主任) of the Company since January 2020. Mr. Guan previously served as an assistant to the division director of the Business Negotiation Division (業務洽談處) of Yangzhou Asia Star Bus Co., Ltd. Mr. Guan has obtained a bachelor's degree.

Mr. REN Guokun (任國坤), aged 44, has been an employee supervisor and the chief officer of the Human Resources Department (人事資源部) of the Company since January 2020. Mr. Ren previously served as an officer and subsequently the head of the Audit Department of Yangzi River Pharmaceutical Group Co., Ltd., the head for personnel (人事主管) of Taizhou Yidafei Electromechanical Manufacturing Co., Ltd. (泰州易達非機電製造有限公司), the head of the Human Resources Department of Zhongsheng Photoelectric Energy Co., Ltd., the deputy manager of the General Department (綜合部) of Taitong Company (泰通公司) (currently known as Taizhou Construction Group Co., Ltd. (泰通建設集團有限公司)), and the manager of the Personnel Administration Department of Taizhou New Yongtai Technology Co., Ltd. (泰州新永泰科技有限公司). Mr. Ren has obtained a bachelor's degree.

SENIOR MANAGEMENT

The following table sets forth certain information concerning the Company's senior management as at the date of this Information Memorandum:

Name	Age	Position/Title
Mr. ZHANG Lu (張路).....	53	General manager and chairman of the Board
Mr. WU Zhiqiang (吳誌強).....	40	Assistant to the general manager and director
Mr. DAI Meng (戴猛).....	39	Assistant to the general manager and employee director
Mr. JI Changquan (冀昌權).....	39	Chief officer of the Project Department and supervisor
Mr. GUAN Zejian (關澤建).....	42	Head of the General Office and employee supervisor
Mr. REN Guokun (任國坤).....	44	Head of the Human Resources Department and employee supervisor

Mr. ZHANG Lu (張路), aged 53, has been the chairman of the Board and the general manager of the Company since August 2019. For Mr. Zhang's biography, see “– Directors” above.

Mr. WU Zhiqiang (吳誌強), aged 40, has been a director and an assistant to the general manager of the Company since January 2018. For Mr. Wu's biography, see “– Directors” above.

Mr. DAI Meng (戴猛), aged 39, has been a director and an assistant to the general manager of the Company since January 2018. For Mr. Dai's biography, see “– Directors” above.

Mr. JI Changquan (冀昌權), aged 39, has been a supervisor and the chief officer of the Project Department (項目部總監) of the Company since January 2020. For Mr. Ji's biography, see “– Supervisors” above.

Mr. GUAN Zejian (關澤建), aged 42, has been an employee supervisor and the head of the General Office (辦公室主任) of the Company since January 2020. For Mr. Guan's biography, see “– Supervisors” above.

Mr. REN Guokun (任國坤), aged 44, has been an employee supervisor and the head of the Human Resources Department (人力資源部) of the Company since January 2020. For Mr. Ren's biography, see “– Supervisors” above.

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 of the date of this Information Memorandum, 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 Information Memorandum are to be regarded as advice on the tax position of any Bondholder or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

PRC

The following summary accurately describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners that are not residents of China for PRC tax purposes. These beneficial owners are referred to as non-PRC Bondholders in this “— 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.

Pursuant to the EIT Law, the IIT Law and the implementation regulations in relation to both the EIT Law and the IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals, respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders will 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 acting as the obligatory withholding agent from each payment due.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by Bondholders 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, Under the EIT Law, a non-PRC resident enterprise is an entity that is either located outside the PRC without any establishment within the PRC, or an entity with establishments within the PRC but its income from holding the Bonds has no connection with its establishments within the PRC. It is uncertain whether gains on the transfer of the Bonds by 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 IIT Law, any individual who has no domicile and does not live within the PRC or who has no domicile but has lived within the PRC 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 Bondholders 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.

The PRC tax on interest or gains on a sale or exchange of the Bonds may be reduced or exempted under applicable tax treaties between the PRC and the Bondholder's home country. For example, 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 that 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 in the PRC and all the other relevant conditions are satisfied. However, it is unclear whether in practice non-resident Bondholders would be able to obtain the benefit of income tax treaties entered into between PRC and their countries.

The Issuer has agreed to pay additional amounts to Bondholders with respect to PRC withholding taxes in respect of the Bonds so that Bondholders would receive the full amount of the scheduled payment, subject to certain exceptions as set forth in “*Terms and Conditions of the Bonds — Taxation.*”

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation issued Circular 36, which introduced a new VAT from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide services within the PRC. The operating revenue generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to PRC VAT if the seller or buyer of the services is within the PRC. In the event that foreign entities or individuals do not have a business establishment in the PRC, the purchaser of services shall act as the withholding agent. According to the Explanatory Notes to Sale of Services, Intangible Assets and Real Property attached to Circular 36, financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments, and the VAT rate is 6 per cent. Accordingly, the interest and other interest-like earnings received by a non-PRC resident Bondholder from the Issuer may be subject to PRC VAT at the rate of 6 per cent. The Issuer will be obligated to withhold VAT of 6 per cent. and certain surcharges on VAT for payments of interest and premium (if any) to Bondholders that are non-resident enterprises or individuals. In addition, the Bondholders may be subject to an urban maintenance and construction tax (7 per cent.), an education surcharge and a local education levy at 7 per cent., 3 per cent. and 2 per cent. of the VAT payment, respectively, and consequently, the combined rate of VAT and its surcharges will be 6.72 per cent. However, there is uncertainty as to whether gains derived from a sale or exchange of Bonds consummated outside the PRC between non-PRC resident Bondholders will be subject to PRC VAT. 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, the interpretation and enforcement of such laws and regulations are subject to uncertainties.

Stamp Duty

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

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal, premium (if any) or interest in respect of 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 “**Inland Revenue Ordinance**”) 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, professional or business carried on in Hong Kong in the following circumstances:

- interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- 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 the trade, profession or business;
- interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- 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 Inland Revenue Ordinance).

Sums derived from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sums have 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.

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

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers 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.

PLACEMENT AND SALE

The Issuer has entered into a placing agreement, among others, with the Placing Agents dated 23 September 2021 (the “**Placing Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the investors identified by the Placing Agents, and the Placing Agents has agreed to facilitate the subscription and payment for the aggregate principal amount of the Bonds.

The Placing Agreement provides that the obligations of the Placing Agents are subject to certain conditions precedent, and entitles the Placing Agents to terminate it in certain circumstances prior to payment being made by such investor to the Issuer and the Bonds being issued.

General

The distribution of this Information Memorandum 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 Information Memorandum 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 Information Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

United States

The Bonds has not been and will not be registered under 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. Each of the Placing Agents has represented and warranted that it has not offered or sold, and has agreed that it will not offer or sell, any of the Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each of the Placing Agents has represented and agreed that neither it nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act (“**Regulation D**”)), nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Bonds in the United States.

United Kingdom

Each of the Placing Agents has represented, warranted and agreed that:

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

Prohibition of Sales to EEA and UK Investors

Each Placing Agent has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

- (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Hong Kong

Each of the Placing Agents has represented, warranted and agreed that:

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

The People’s Republic of China

Each of the Placing Agents has agreed that the offer of the Bonds is not an offer of securities within the meaning of the PRC Securities Law or other pertinent laws and regulations of the PRC and the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People’s Republic of China.

Singapore

Each of the Placing Agents has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Placing Agents has represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (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 defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

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

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Placing Agents has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit 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.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 239225063 and the ISIN for the Bonds is XS2392250630.
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 Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by the resolutions of the board of directors of the Issuer dated 25 February 2021 and the shareholders' resolutions of the Issuer dated 31 August 2021. PRC counsels to the Issuer and PRC counsels to the Placing Agents have advised that no other approvals or consents are required from any regulatory authorities or other relevant authorities in the PRC for the Issuer to issue the Bonds except for (i) the submission of the Bonds for registration with the local counterpart of SAFE within fifteen Registration Business Days after the Issue Date and (ii) the filing of the requisite information and documents with the NDRC within ten Registration Business Days after the Issue Date. For consequences of non-registration, see *“Risk Factors — Risks Relating to the Bonds — Any failure to complete the relevant filings under the NDRC Circular and the relevant registration with SAFE within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds”*.
3. **No Material and Adverse Change:** 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 or general affairs of the Issuer or the Group, which is material and adverse in the context of the issue and offering of the Bonds since 31 March 2021.
4. **Litigation:** None of the Issuer or any member of 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 Issuer's audited consolidated financial statements as at and for the year ended 31 December 2019 and 2020, the Trust Deed and the Agency Agreement will be available for inspection from the Issue Date upon prior written request and proof of holding and identity satisfactory to the Trustee at the principal place of business of the Trustee, being at the date of this Information Memorandum at 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong, at all reasonable times during normal business hours of the Trustee (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)), so long as any Bond is outstanding.
6. **LEI:** The Issuer's LEI code is 3003000SMTK0CMOWG528.

INDEX TO FINANCIAL STATEMENTS

The audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2019 and 2020 (the “**Audited Consolidated Financial Statements**”) have only been prepared in Chinese. The English translation of the Audited Consolidated Financial Statements has been prepared and included in this Information Memorandum for reference only. Should there be any inconsistency between the Chinese version of the Audited Consolidated Financial Statements and the English translation of the Audited Consolidated Financial Statements, the Chinese version of the Audited Consolidated Financial Statements shall prevail. The English translation of the Audited Consolidated Financial Statements does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to the more detailed information and the financial information set out or referred to in, the Chinese version of the Audited Consolidated Financial Statements.

None of the Placing Agents, the Trustee or the Agents, or any of their respective affiliates, directors, employees, agents, representatives, officers and advisers has independently verified or checked the accuracy of the English translation of the Audited Consolidated Financial Statements, and can give no assurance that the information contained in the English translation of the Audited Consolidated Financial Statements is accurate, truthful or complete.

The Issuer’s Consolidated Financial Statements

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2020 Auditor's Report on Financial Statements of TaiZhou Orient China Medical City Holding Group CO., LTD

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Auditor's Report

NO. (2021) 69000195 JKXS

To TaiZhou Orient China Medical City Holding Group CO., LTD.,

I. Audit Opinions

We have audited the attached financial statements of TaiZhou Orient China Medical City Holding Group CO., LTD. (hereinafter referred to as "company"), merger and the parent company financial statements (hereinafter referred to as "financial statements"), including the merger and the parent company's balance sheet as of on December 31, 2020, the 2020 merger and parent Income Statement, merger and the parent company, the cash flow statement, and statement of changes in owners' equity and related notes to financial statements by the parent company.

We believe that the attached financial statements in all major aspects in accordance with the provisions of the accounting standard for business enterprises, fair to reflect the company on December 31, 2020 merger and merger of its parent company's financial position, and 2020 and the parent company operating results and cash flows.

II. Basis for Forming Audit Opinions

We conducted an audit in accordance with the Chinese Certified Public Accountants Auditing Standards. Our responsibilities under these Standards are further set forth in the Section "CPA's Responsibility for Auditing Financial Statements" hereunder. In accordance with the Code of Ethics for Chinese Certified Public Accountants, we are independent of the Company, and have fulfilled other responsibilities in respect of professional ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinions.

III. Responsibilities of the Management and the Executives on the Financial Statements

The management is responsible for preparing the financial statements that give fair view in accordance with the Accounting Standards for Business Enterprises, and designing, executing and maintaining necessary internal control, so that the financial statements are free from material misstatement, whether due to fraud or errors.

In preparation of the financial statements, the management is responsible for evaluating the Company's ability of going concern, disclosing the matters related to going concern (if applicable), and utilizing the going concern assumptions, unless the management plans to liquidate the Company, or terminate operation or does not have any other practical choices.

The executives are responsible for supervising the process of the Company's financial reporting.

IV. CPA's Responsibility for Auditing Financial Statements

第 1 页



Our goal is to obtain reasonable assurance as to whether the financial statements in the whole are free from material misstatement, whether due to fraud or errors, and to issue the auditor's report including the audit opinions. The reasonable assurance is at high level, but cannot guarantee that audit in line with the auditing standards will always discover certain material misstatement if any. Misstatement might be caused by fraud or errors. If it is reasonably anticipated that misstatement might independently or together affect the economic decisions made by the users of the financial statements based on the financial statements, then, it is generally assumed that the misstatement is material.

In the course of audit performed in accordance with the auditing standards, we make our professional judgment and maintain the professional skepticism. Meanwhile, we also perform the following work:

1. To identify and evaluate the material misstatement risks of the financial statements whether due to fraud or errors, design and implement the audit procedures to cope with these risks, and obtain sufficient and appropriate audit evidences as the basis for the audit opinions. As fraud might involve collusion, forging, intentional omission or false statement or overrides the internal control, the risk in failure to discover the material misstatement due to fraud overrides the risk in failure to discover the material misstatement due to errors.

2. To understand the audit related internal control, in order to design appropriate procedures, but not for the purpose of expressing opinions on the effectiveness of the internal control.

3. To evaluate the appropriateness of the accounting policies used by the management, and the reasonableness of the accounting estimates and relevant disclosures made by the management.

4. To make conclusions on appropriateness of the going concern assumptions used by the management, and make conclusions on material uncertainty of the matters or circumstances that are likely to materially challenge the Company's ability of going concern based on the obtained audit evidences at the same time. If our conclusions hold that there is material uncertainty, the auditing standards require we remind the users of the statements of the relevant disclosures in the financial statements in our auditor's report; if the disclosures are insufficient, we should express unqualified opinions. Our conclusions are based on the information available as of the date of the auditor's report. However, the future matters or circumstances might disqualify the Company from going concern.

5. To evaluate the overall presentation, structure and contents (including disclosures) of the financial statements, and evaluate whether the financial statements give fair view on the relevant transactions and matters.

6. Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities in the company to give audit opinions on the financial statements. We are responsible for guiding, supervising and executing the group audit and assume full responsibility for the audit opinions.

We have communicated the planned audit scope, schedule and material audit discoveries with the executives, including the internal control defects that have been



北京兴华会计师事务所(特殊普通合伙)

BEIJING XINGHUA CERTIFIED PUBLIC ACCOUNTANTS (SPECIAL GENERAL PARTNERSHIP)

identified by us in the course of audit and should be paid attention to

We also have to comply with ethical requirements related to independence provide statement to governance, and communication with the management layer can be reasonably expected effect our independence of all relations and other issues, as well as the relevant preventive measures (if applicable).

BeiJing Xin Shen Certified Public

Chinese CPA: _____

Accountants Co., Ltd

(Special general partnership)

(Project partner) Wu Xiuying

Beijing, China

Chinese CPA: _____

April 20, 2021

Ye Qian

Consolidated Balance Sheet

December 31, 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Closing balance	Balance at the end of last year
Current assets:			
Monetary capital	VI. (I)	4,629,780,705.14	3,845,360,558.86
Settle the reserve*			
Lending money *			
Financial assets measured at fair value and whose changes are recorded into current profits and losses			
Derivative financial assets			
Notes receivable	VI. (II)	25,007,000.00	10,000,000.00
Accounts receivable	VI. (III)	162,223,319.26	383,666,734.92
Advance payment	VI. (IV)	352,361,833.50	265,438,779.53
Premiums receivable*			
Accounts receivable reinsurance*			
Reinsurance contract reserve receivable*			
Other receivables	VI.(V)	3,475,844,700.61	2,920,294,842.45
Including: interest receivable			
Dividends receivable			
Buying back the sale of financial assets*			
Inventory	VI. (VI)	4,743,353,075.63	4,467,822,916.40
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	VI. (VII)	163,652,667.32	180,224,503.37
Total current assets		13,551,255,474.57	12,072,808,335.53
Non-current assets:			
Granting loans and advances *	VI. (VIII)		22,865,709.51
Available-for-sale financial assets	VI. (IX)	875,250,000.00	360,250,000.00
Held-to-maturity investments			
Long-term receivables	VI. (X)	-	486,186,866.90
Long - term equity investment	VI. (XI)	1,460,229,496.44	873,268,196.44
Investment real estate	VI. (XII)	4,755,634,790.00	4,130,354,260.00
Fixed assets	VI. (XIII)	114,219,261.41	135,866,955.63
Construction in progress	VI. (XIV)	284,416,132.16	262,896,193.55
Capitalized biological assets			
Oil and gas assets			
Intangible assets	VI. (XV)	31,739,229.47	32,626,425.10
Development expenditures			
Goodwill	VI. (XVI)	184,411,694.84	119,406,501.10
Long - term deferred expenses	VI. (XVII)	17,096,936.08	12,968,803.53
Deferred income tax assets	VI. (XVIII)	22,392,905.38	17,515,693.45
Other non-current assets			
Total non-current assets		7,745,390,445.78	6,454,205,605.21
Total assets		21,296,645,920.35	18,527,013,940.74

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting: Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Consolidated Balance Sheet (Continued)

December 31, 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Closing balance	Balance at the end of last year
Current liabilities:			
Short-term borrowings	VI. (XIX)	3,238,118,450.00	2,915,769,796.02
Borrow money from central bank *			
Borrowed funds*			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	VI. (XX)	2,027,000,000.00	1,113,500,000.00
Accounts payable	VI. (XXI)	207,446,564.28	706,054,424.37
Advance receipts	VI. (XXII)	2,076,177,805.11	2,043,330,009.18
Financial assets sold for repurchase *			
Deposit-taking and interbank deposits*			
Acting trading securities *			
Acting underwriting securities*			
Payroll payable	VI. (XXIII)	10,352,662.37	4,244,280.47
Taxes and dues payable	VI. (XXIV)	86,815,886.05	50,740,889.04
Other payables	VI. (XXV)	305,991,392.86	442,217,438.05
Including: interest payable			
Dividends payable			
Fees and commissions payable*			
Reinsurance payable*			
Held-for-sale liabilities			
Non-current liabilities due within one year	VI. (XXVI)	975,254,673.82	850,000,000.00
Other current liabilities	VI. (XXVII)	191,822.74	
Total current liabilities		8,927,349,257.23	8,125,856,837.13
Non-current liabilities:			
Insurance contract reserve*			
Long-term borrowings	VI. (XXVIII)	2,780,983,656.83	4,541,368,672.00
Bonds payable	VI. (XXIX)	2,398,000,000.00	-
Including: Preferred stock			
Perpetual bond			
Long-term payables	VI. (XXX)	13,294,345.98	12,518,004.68
Long-term staff compensation payable			
Estimated liabilities	VI. (XXXI)	210,000.00	
Deferred income			
Deferred income tax liabilities	VI. (XVIII)	275,992,260.33	239,372,016.24
Other non-current liabilities			
Total non-current liabilities		5,468,480,263.14	4,793,258,692.92
Total liabilities		14,441,539,520.37	12,919,115,530.05
Owner's equity (or shareholders' equity):			
Paid-in capital (or share capital)	VI. (XXXII)	2,716,102,500.00	2,716,102,500.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserves	VI. (XXXIII)	2,403,664,164.69	1,101,413,118.21
Less: inventory stock			
Other comprehensive incomes	VI. (XXXIV)	16,640,276.31	16,640,276.31
Special reserves			
Surplus reserves		3,758,624.03	
General risk preparation *			
Undistributed profits	VI. (XXXV)	1,216,983,625.73	1,154,003,436.35
Total of owners equity (or shareholders' equity) attributable to the Parent company		6,357,149,190.76	4,988,159,330.87
Minority Shareholders' equity		502,445,036.80	619,739,079.82
Total owner's equity (or shareholders' equity)		6,855,106,399.98	5,607,898,410.69
Total liabilities and owner's equity (or shareholders' equity)		21,296,645,920.35	18,527,013,940.74

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting: Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Balance Sheet of Parent Company

Thursday, December 31, 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Closing balance	Balance at the end of last year
Current assets:			
Monetary capital		1,083,679,155.33	637,819,547.66
Financial assets measured at fair value and whose changes are recorded into current profits and losses			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Advance payment		2,000.00	
Other receivables	XIII. (I)	9,790,489,820.34	8,714,326,489.55
Including: interest receivable			
Dividends receivable			
Inventory			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		4,461.94	
Total current assets		10,874,175,437.61	9,352,146,037.21
Non-current assets:			
Available-for-sale financial assets		373,750,000.00	348,750,000.00
Held-to-maturity investments			
Long-term receivables			
Long - term equity investment	XIII. (II)	3,638,728,700.00	2,527,394,200.00
Investment real estate			
Fixed assets		236,840.50	231,458.95
Construction in progress		51,398,476.46	51,398,476.46
Capitalized biological assets			
Oil and gas assets			
Intangible assets		11,701,183.69	12,012,976.97
Development expenditures			
Goodwill			
Long - term deferred expenses		2,500,000.00	3,000,000.00
Deferred income tax assets		2,824,909.06	2,904,491.61
Other non-current assets			
Total non-current assets		4,081,140,109.71	2,945,691,603.99
Total assets		14,955,315,547.32	12,297,837,641.20

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting: Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Balance Sheet of Parent Company (Continued)

December 31, 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Closing balance	Balance at the end of last year
Current liabilities:			
Short-term borrowings		1,592,818,450.00	1,104,810,000.00
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable		600,000,000.00	51,500,000.00
Accounts payable		112,606.23	112,606.23
Advance receipts		-	15,000.00
Payroll payable		319,140.83	376,294.52
Taxes and dues payable		47,285,728.34	31,407,370.10
Other payables		4,110,554,934.82	4,372,530,408.85
Including: interest payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		975,254,673.82	850,000,000.00
Other current liabilities			
Total current liabilities		7,326,345,534.04	6,410,751,679.70
Non-current liabilities:			
Long-term borrowings		1,370,165,983.46	3,098,868,672.00
Bonds payable		2,898,000,000.00	
Including: Preferred stock			
Perpetual bond			
Long-term payables			
Long-term staff compensation payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		3,768,165,983.46	3,098,868,672.00
Total liabilities		11,094,511,517.50	9,509,620,351.70
Owner's equity (or shareholders' equity):			
Paid-in capital (or share capital)		2,716,102,500.00	2,716,102,500.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserves		1,035,000,000.00	
Less: inventory stock			
Other comprehensive incomes			
Special reserves			
Surplus reserves		11,327,884.26	7,569,260.23
Undistributed profits		98,373,145.56	64,545,529.27
Total owner's equity (or shareholders' equity)		3,860,803,529.82	2,788,217,289.50
Total liabilities and owner's equity (or shareholders' equity)		14,955,315,047.32	12,297,837,641.20

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting: Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Consolidated Statement of Income

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Amount in the current period	Amount in previous period
I. Total operating incomes		1,111,780,984.21	1,029,023,686.74
Including: Operating incomes	VI. (XXXVI)	1,111,780,984.21	1,029,023,686.74
Interest incomes*			
Earned premium*			
Fees and commissions income*			
II. Total operating Costs		1,153,539,997.37	1,093,948,420.79
Including: Operating Costs	VI. (XXXVI)	877,981,719.05	849,710,301.22
Interest expense*			
Fees and commission expenses*			
Surrender money *			
Net compensation expenditure *			
Net provision for insurance contracts*			
Policyholder dividend expenses			
Amortized reinsurance expenditures*			
Taxes and surcharges	VI. (XXXVII)	13,433,003.40	11,577,650.91
Sales expenses	VI. (XXXVIII)	22,263,707.30	8,119,962.59
Administrative expenses	VI. (XXXIX)	216,066,352.67	183,771,038.05
R&D expenses	VI. (XXXX)	1,497,475.06	
Financial expenses	VI. (XXXXI)	2,705,303.95	23,766,291.46
Including: interest expenses		30,588,568.42	
Interest incomes		6,975,109.97	16,199,289.29
Plus: other incomes			
Investment income (losses indicated with "-")	VI. (XXXXII)	-26,124,767.99	54,217,717.22
Including: income from investments in associated enterprises and joint ventures			
Exchange gain (loss is indicated with "-")		-443,927.01	119,780.60
Gains from changes in fair value(losses indicated with "-")	VI. (XXXXIII)	146,480,976.34	82,149,548.35
Asset impairment loss (losses indicated with "-")	VI. (XXXXIV)	-19,592,435.94	-17,003,176.56
Income from disposal of assets (losses indicated with "-")	VI. (XXXXV)	-52,571.39	
III. operating profit (losses indicated with "-")		78,100,696.79	71,562,312.12
Plus: non-operating incomes	VI. (XXXXII)	74,839,082.87	88,280,191.99
Less: non-operating expenses	VI. (XXXXIII)	1,150,957.88	1,292,958.76
IV.Total profits (losses indicated with" -")		151,788,821.78	158,549,545.35
Less: Income tax expenses	VI. (XXXXVIII)	86,952,794.95	51,056,597.45
V.Net profits (Net losses indicated with "-")		64,836,026.83	107,492,947.90
(I) classification by business continuity			
1.Net profit from continuous operation (Net losses indicated with "-")			
2. Net profit from termination of operation (Net losses indicated with "-")			
(2) classification by ownership			
1. Net profit attributable to the shareholders of the parent company (Net losses indicated with "-")		62,325,351.92	99,378,134.32
2. Profit and loss of minority shareholders (Net losses indicated with "-")		2,510,674.91	8,114,813.58
VI. Net post-tax amount of other comprehensive income		-	-
VII. total comprehensive income		64,836,026.83	107,492,947.90
(I) Owners' total comprehensive income attributable to the parent company		62,325,351.92	99,378,134.32
(II) Total comprehensive income attributable to minority shareholders		2,510,674.91	8,114,813.58

In case of enterprise merger under the same control in the current period, the net profit realized by the merged party before the merger is RMB _____yuan, and the net profit realized by the merged party in the previous period is RMB _____yuan.

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting:Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Income Statement of Parent Company

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Amount in the current period	Amount in previous period
I. Operating incomes	XXX. (III)	641,495.91	683,441.58
Less: operating Cost			
Taxes and surcharges		1,617.88	17,639.75
Sales expenses			
Administrative expenses		11,831,916.88	12,934,515.37
R&D expenses			
Financial expenses		-21,615,509.30	4,480,119.34
Including: interest expenses			
Interest incomes			
Plus: other incomes			
Investment income (losses indicated with “-”)	XXX. (IV)	43,387,800.00	67,486,000.00
Including: income from investments in associated enterprises and joint ventures			
Gains from changes in fair value(losses indicated with “-”)			
Asset impairment loss (losses indicated with “-”)		-318,330.17	7,684,586.36
Income from disposal of assets (losses indicated with “-”)			
II. operating profit (losses indicated with “-”)		54,129,600.62	43,052,580.76
Plus: non-operating incomes		53,555.31	57,878,295.24
Less: non-operating expenses		300,021.31	300.00
III.Total profits (losses indicated with“-”)		53,883,134.62	100,930,576.00
Less: Income tax expenses		16,296,394.30	25,237,973.70
IV.Net profits (Net losses indicated with “-”)		37,586,740.32	75,692,602.30
(I) Net profit from continuous operation (Net losses indicated with “-”)		37,586,740.32	75,692,602.30
(II) Net profit from termination of operation (Net losses indicated with “-”)			
V. Net post-tax amount of other comprehensive income		-	-
VI. Total comprehensive incomes		37,586,740.32	75,692,602.30

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting: Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Consolidated Statement of Cash Flow

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Amount in the current period	Amount in previous period
I. Cash flows from operating activities:			
Cash received from sale of commodities and provision of labor services		1,127,457,166.21	1,993,108,736.41
Net increase in customer deposits and interbank deposits*			
Net increase in borrowing from central bank*			
Net increase of funds borrowed from other financial institutions *			
Cash received from the premium of the original insurance contract*			
Net cash received from reinsurance operations*			
Net increase in insured savings and investment funds*			
Cash for interest, handling fees and commissions*		-	
Net increase in funds borrowed*			
Net increase in repurchase business funds*			
Net cash received by agents buying and selling securities*			
Refund of taxes and levies		37,412,131.19	255,487.64
Other cash received related to operating activities		3,740,673,940.03	3,943,923,981.18
Subtotal of cash inflows of operating activities		4,905,543,237.43	5,937,288,205.23
Cash paid for purchase of commodities and labor services		907,790,257.68	1,440,209,423.72
Net increase in customer loans and advances*		74,993,323.73	23,096,676.27
Net increase in central bank and interbank deposits*			
Cash for the payment of the original insurance contract*			
Net increase in loan funds*			
Cash to pay interest, handling fees and commissions*		-	
Cash to pay policy dividends*			
Cash paid to and for employees		156,885,703.99	68,279,461.73
Tax payments		59,775,178.46	87,704,490.00
Other cash paid related to operating activities		3,475,218,170.06	4,054,302,706.18
Subtotal cash outflow from operating activities		4,674,662,633.92	5,673,592,757.90
Net cash flows from operating activities	VI. (XXXXIX)	230,880,603.51	263,695,447.33
II. cash flow from investment activities:			
Cash received from return on investments			
Cash received from investment income			
Net cash from disposal of fixed assets, intangible assets and other long-term assets		70,412.62	
Net cash from disposal of subsidiaries and other business units			
Other cash received from investment related activities			
Subtotal of cash inflows of investment activities		70,412.62	-
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		393,991,983.72	560,733,464.05
Cash paid for investment		525,000,000.00	
Net increase in pledged loans*			
Net cash paid for acquisition of subsidiaries and other business units		14,089,740.00	6,145,410.00
Other cash paid for investment related activities		-	
Subtotal of cash outflows of investment activities		933,081,723.72	566,878,874.05
Net cash flows from investment activities		-933,011,311.10	-566,878,874.05
III. Cash flows from financing activities:			
Cash received from investment absorption		1,535,000,000.00	
Including: the subsidiary receives cash from minority shareholders' investments			
Cash received from obtaining loans		7,064,145,000.00	5,465,080,000.00
Other cash received related to financing activities			
Subtotal of cash inflows of financing activities		8,599,145,000.00	5,465,080,000.00
Cash paid to repay debts		6,568,928,296.64	3,446,102,268.67
Cash paid to distribute dividends, profits or pay interest		715,563,060.94	521,848,435.12
Including: dividends and profits paid by subsidiaries to minority shareholders			
Other cash paid related to financing activities		147,448,917.80	271,929,422.22
Subtotal of cash outflows of financing activities		7,431,940,275.38	4,239,880,126.01
Net cash flows from financing activities		1,167,204,724.62	1,225,199,873.99
IV. impact of exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents		465,074,017.03	922,016,447.27
Plus: opening balance of cash and cash equivalents		2,907,617,089.92	1,985,600,642.65
VI. Closing balance of cash and cash equivalents		3,372,691,106.95	2,907,617,089.92

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting: Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Cash Flow Statement of Parent Company

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Note	Amount in the current period	Amount in previous period
I. Cash flows from operating activities:			
Cash received from sale of commodities and provision of labor services		658,279.44	667,354.01
Refund of taxes and levies		3,462.60	481.43
Other cash received related to operating activities		8,674,524,439.57	6,001,890,282.55
Subtotal of cash inflows of operating activities		8,675,186,181.61	6,002,558,117.99
Cash paid for purchase of commodities and labor services			2,925.00
Cash paid to and for employees		7,041,948.96	6,882,286.82
Tax payments		92,984.54	8,929,117.50
Other cash paid related to operating activities		9,761,693,976.06	5,935,061,783.88
Subtotal cash outflow from operating activities		9,768,828,909.56	5,950,876,113.20
Net cash flows from operating activities		-1,515,142,727.95	51,682,004.79
II. cash flow from investment activities:			
Cash received from return on investments			
Cash received from investment income			
Net cash from disposal of fixed assets, intangible assets and other long-term assets		56,700.00	
Net cash from disposal of subsidiaries and other business units			
Other cash received from investment related activities			
Subtotal of cash inflows of investment activities		56,700.00	0.00
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		143,857.91	55,938,110.00
Cash paid for investment		25,000,000.00	
Net cash paid for acquisition of subsidiaries and other business units		24,089,740.00	620,145,410.00
Other cash paid for investment related activities			
Subtotal of cash outflows of investment activities		49,233,597.91	676,083,520.00
Net cash flows from investment activities		-49,176,897.91	-676,083,520.00
III. Cash flows from financing activities:			
Cash received from investment absorption		1,035,000,000.00	
Cash received from obtaining loans		4,942,345,000.00	2,878,970,000.00
Other cash received related to financing activities			5,292,666.67
Subtotal of cash inflows of financing activities		5,977,345,000.00	2,884,262,666.67
Cash paid to repay debts		3,569,688,344.72	1,624,842,064.69
Cash paid to distribute dividends, profits or pay interest		433,106,215.61	317,807,721.15
Other cash paid related to financing activities		151,871,206.14	
Subtotal of cash outflows of financing activities		4,018,665,766.47	1,942,649,785.84
Net cash flows from financing activities		1,958,679,233.53	941,612,880.83
IV. impact of exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents		394,359,607.67	317,211,365.62
Plus: opening balance of cash and cash equivalents		689,319,547.66	372,108,182.04
VI. Closing balance of cash and cash equivalents		1,083,679,155.33	689,319,547.66

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhang Lu Person in charge of accounting: Li Xiaobing Principal of the accounting agency: Zhang Jingjing

Consolidated Statement of Changes in Owner's Equity

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Amount of current year												
	Owners' equities attributable to the parent company											Minority Shareholders' equity	Total owner's equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: inventory stock	Other comprehensive incomes	Special reserves	Surplus reserves	General risk preparation *	Undistributed profits		
Preferred stock		Perpetual bond	Other										
I. Closing balance of previous year	2,716,102,500.00	-	-	-	1,101,413,118.21	-	16,640,276.31	-	-	-	1,154,003,436.35	619,739,079.82	5,607,898,410.69
Plus: changes to accounting policies													
Correction of prior period errors													-
Merger of enterprises under common control													-
Other													-
II. opening balance of this year	2,716,102,500.00	-	-	-	1,101,413,118.21	-	16,640,276.31	-	-	-	1,154,003,436.35	619,739,079.82	5,607,898,410.69
III.Increase of this year (decrease indicated with “-”)	-	-	-	-	1,302,251,046.48	-	-	-	3,758,624.03	-	58,566,727.89	-117,368,409.11	1,247,207,989.29
(I) Total comprehensive income							-				62,325,351.92	-117,368,409.11	-55,043,057.19
(II) Investments of owners and reduced capital	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares of shareholders													-
2. Capital investments of other equity instrument holders													-
3. Amount of the share-based payments in the owners' equity													-
4. Other													-
(III) Distribution of profits	-	-	-	-	-	-	-	-	3,758,624.03	-	-3,758,624.03	-	-
1. Withdrawal of surplus reserves									3,758,624.03		-3,758,624.03		-
2. extraction of general risk reserve*													-
3. Distribution to owners (or shareholders)													-
4. Other													-
(IV)Internal carry-over owners' equity	-	-	-	-	1,302,251,046.48	-	-	-	-	-	-	-	1,302,251,046.48
1. Conversion of capital reserve into capital (or capital stock)													-
2. Conversion of surplus reserve into capital (or capital stock)													-
3. Conversion of surplus reserve into capital (or capital stock)													-
4. Set the amount of changes in the benefit plan to carry forward retained earnings													-
5. Other comprehensive income carried forward to retained earnings													-
6. Other					1,302,251,046.48								1,302,251,046.48
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of this period													-
2. Utilization of this period													-
(VI) Other													-
IV.Closing balance of this period	2,716,102,500.00	-	-	-	2,403,664,164.69	-	16,640,276.31	-	3,758,624.03	-	1,212,570,164.24	502,370,670.71	6,855,106,399.98

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhanglu

Person in charge of accounting: Li Xiaobing

Principal of the accounting agency: Zhang Jingjing

Consolidated Statement of Changes in Owner's Equity

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Amount of last year												Minority Shareholders' equity	Total owner's equity
	Owners' equities attributable to the parent company													
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: inventory stock	Other comprehensive incomes	Special reserves	Surplus reserves	General risk preparation *	Undistributed profits			
Preferred		Perpetual bond	Other											
I. Closing balance of previous year	2,716,102,500.00	-	-	-	1,108,074,583.97	-	-	-	-	-	1,054,625,302.03	675,133,883.20	5,553,936,269.20	
Plus: changes to accounting policies														
Correction of prior period errors													-	
Merger of enterprises under common control													-	
Other													-	
II. opening balance of this year	2,716,102,500.00	-	-	-	1,108,074,583.97	-	-	-	-	-	1,054,625,302.03	675,133,883.20	5,553,936,269.20	
III. Increase of this year (decrease indicated with “-”)	-	-	-	-	-6,661,465.76	-	16,640,276.31	-	-	-	99,378,134.32	-55,394,803.38	53,962,141.49	
(I) Total comprehensive income											99,378,134.32	-55,394,803.38	43,983,330.94	
(II) Investments of owners and reduced capital	-	-	-	-	-	-	16,640,276.31	-	-	-	-	0.00	16,640,276.31	
1. Ordinary shares of shareholders							16,640,276.31						16,640,276.31	
2. Capital investments of other equity instrument holders													0.00	
3. Amount of the share-based payments in the owners' equity													0.00	
4. Other													0.00	
(III) Distribution of profits	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	
1. Withdrawal of surplus reserves													0.00	
2. extraction of general risk reserve*													0.00	
3. Distribution to owners (or shareholders)													0.00	
4. Other													0.00	
(IV) Internal carry-over owners' equity	-	-	-	-	-6,661,465.76	-	-	-	-	-	-	0.00	-6,661,465.76	
1. Conversion of capital reserve into capital (or capital stock)													0.00	
2. Conversion of surplus reserve into capital (or capital stock)													0.00	
3. Conversion of surplus reserve into capital (or capital stock)													0.00	
4. Set the amount of changes in the benefit plan to carry forward retained earnings													0.00	
5. Other comprehensive income carried forward to retained earnings													0.00	
6. Other					-6,661,465.76								-6,661,465.76	
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	
1. Withdrawal of this period													-	
2. Utilization of this period													-	
(VI) Other													-	
IV. Closing balance of this period	2,716,102,500.00	-	-	-	1,101,413,118.21	-	16,640,276.31	-	-	-	1,154,003,436.35	619,739,079.82	5,607,898,410.69	

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhanglu

Person in charge of accounting: Li Xiaobing

Principal of the accounting agency: Zhang Jingjing

Statement of Changes in Owner's Equity of Parent Company

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group CO., LTD

Unit: Yuan Currency: RMB

Item	Amount of current year										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: inventory stock	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Total owner's equity
		Preferred stock	Perpetual bond	Other							
I. Closing balance of previous year	2,716,102,500.00	-	-	-	-	-	-	-	7,569,260.23	64,545,529.27	2,788,217,289.50
Plus: changes to accounting policies											-
Correction of prior period errors											-
Other											-
II. opening balance of this year	2,716,102,500.00	-	-	-	-	-	-	-	7,569,260.23	64,545,529.27	2,788,217,289.50
III.Increase of this year (decrease indicated with “-”)	-	-	-	-	1,035,000,000.00	-	-	-	3,758,624.03	33,827,616.29	1,072,586,240.32
(I) Total comprehensive income										37,586,740.32	37,586,740.32
(II) Investments of owners and reduced capital	-	-	-	-	1,035,000,000.00	-	-	-	-	-	1,035,000,000.00
1. Ordinary shares of shareholders					1,035,000,000.00						1,035,000,000.00
2. Capital investments of other equity instrument holders											-
3. Amount of the share-based payments in the owners' equity											-
4. Other											-
(III) Distribution of profits	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves										-	-
2. Distribution to owners (or shareholders)											-
3. Other											-
(IV)Internal carry-over owners' equity	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserve into capital (or capital stock)											-
2. Conversion of surplus reserve into capital (or capital stock)											-
3. Conversion of surplus reserve into capital (or capital stock)											-
4. Set the amount of changes in the benefit plan to carry forward retained earnings											-
5. Other comprehensive income carried forward to retained earnings											-
6. Other											-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of this period											-
2. Utilization of this period											-
(VI) Other											-
IV.Closing balance of this period	2,716,102,500.00	-	-	-	1,035,000,000.00	-	-	-	11,327,884.26	98,373,145.56	3,860,803,529.82

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhanglu

Person in charge of accounting: Li Xiaobing

Principal of the accounting agency: Zhang Jingjing

Statement of Changes in Owner's Equity of Parent Company

January to December in 2020

Prepared by Taizhou Orient China Medical City Holding Group
CO., LTD

Unit: Yuan Currency: RMB

Item	Amount of last year										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: inventory stock	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Total owner's equity
I. Closing balance of previous year	2,716,102,500.00									-3,577,812.80	2,712,524,687.20
Plus: changes to accounting policies											-
Correction of prior period errors											-
Other											-
II. opening balance of this year	2,716,102,500.00	-	-	-	-	-	-	-	-	-3,577,812.80	2,712,524,687.20
III. Increase of this year (decrease indicated with "-")	-	-	-	-	-	-	-	-	7,569,260.23	68,123,342.07	75,692,602.30
(I) Total comprehensive income										75,692,602.30	75,692,602.30
(II) Investments of owners and reduced capital	-	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares of shareholders											-
2. Capital investments of other equity instrument holders											-
3. Amount of the share-based payments in the owners' equity											-
4. Other											-
(III) Distribution of profits	-	-	-	-	-	-	-	-	7,569,260.23	-7,569,260.23	-
1. Withdrawal of surplus reserves									7,569,260.23	-7,569,260.23	-
2. Distribution to owners (or shareholders)											-
3. Other											-
(IV) Internal carry-over owners' equity	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserve into capital (or capital stock)											-
2. Conversion of surplus reserve into capital (or capital stock)											-
3. Conversion of surplus reserve into capital (or capital stock)											-
4. Set the amount of changes in the benefit plan to carry forward retained earnings											-
5. Other comprehensive income carried forward to retained earnings											-
6. Other											-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of this period											-
2. Utilization of this period											-
(VI) Other											-
IV. Closing balance of this period	2,716,102,500.00	-	-	-	-	-	-	-	7,569,260.23	64,545,529.27	2,788,217,289.50

The attached notes to the financial statements are an integral part of the financial statements.

Legal representative: Zhanglu

Person in charge of accounting: Li Xiaobing

Principal of the accounting agency: Zhang Jingjing

TaiZhou Orient China Medical City Holding Group CO., LTD**Notes to 2020 Financial Statements**

(Unit: Yuan Currency: RMB)

I. General Information of the Company

TaiZhou Orient China Medical City Holding Group CO., LTD (hereinafter referred to as the Group Company) Established with the capital contribution of Taizhou Huaxin pharmaceutical investment co., ltd., it was established on July 2, 2010. on April 28, 2015, it obtained the business license with the registration number of 321200000021238 issued by Taizhou administration for industry and commerce's branch of pharmaceutical high-tech industrial development zone, uniform social credit code is 91321291558041864B. Company type: Limited Liability Company (wholly state-owned) In May 2015, the shareholder was Taizhou Medical High-tech Industrial Development Zone Management Committee. Registered and paid-in capital of 2716.1025 million yuan; Company type: limited liability company (wholly state-owned); Domicile: room 123, building 1, No.1 yaocheng avenue, Taizhou city; Legal representative: Zhang Lu; Operating period: July 2, 2010 to unlimited.

line of business: Market management, medical exhibition services, rental of houses and machinery, foreign investment, medical technology development services, technical research and development of vaccines, biological medicines, chemical medicines and medical devices (excluding production and sales of medicines and medical devices), economic information consulting services, property management, management of state-owned assets within the scope of authorization, capital operation, construction of housing construction projects, construction of urban infrastructure, municipal engineering construction, land consolidation, investment, construction, management and maintenance of urban flood control projects, development and utilization of water and soil resources, procurement and supply of water conservancy equipment and materials. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments).

In line with the equity transfer agreement signed on October 30, 2019, the Group Company invested 100% equity of Taizhou Medical City Hongtai Finance Guarantee Co., Ltd., 89.3% Taizhou Guangrui Finance Leasing Co. Ltd., 100% equity of Taizhou Hongxin Technology Micro-loan Co., Ltd., 10% equity of Taizhou Axa Pawn Co., Ltd., 100% equity of Taizhou Huajian Venture Capital Co., Ltd. and 97.5% equity of Jiangsu Huatairong Investment Management Service Co., Ltd. in Taizhou Medical High-tech Zone Huayin Financial Investment Co., Ltd..

The operating period of the company is from July 2, 2010 to unlimited.

The financial statements have been approved to be published by all directors of the Company on Tuesday, April 28, 2021.

II. Scope of consolidated financial statements for the current year

There are 3 subsidiaries newly included in the merger scope in this period, newly established Taizhou Guozhan Exhibition Co., Ltd. and Taizhou Huateng Sports Management Co., Ltd, Jiangsu Xinzhiyuan Medical Technology Co., Ltd. was merged under the control of non-identical. For details, see “ VIII. rights and interests in other subjects” in this note.

III. Basis for preparing financial statements**(I) Basis of preparation**

According to actual transactions and events, the company shall prepare financial statements in accordance with the accounting standards for enterprises - basic standards and specific accounting standards issued by the Ministry of finance, guidelines for the application of accounting standards for enterprises, explanations of accounting standards for enterprises and other relevant regulations (hereinafter referred to as “Accounting standards for enterprises”).

(II) Going-concern assumption

The Company evaluated the ability of going concern for 12 months from the end of the reporting period, and found no matters or circumstances that will have a significant impact on the ability of going concern. Therefore, the financial statements prepared are based on the going-concern assumption.

IV. Crucial Accounting Policies and Accounting Estimates**(I) Statement on compliance with the Accounting Standards for Business Enterprises**

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for

Business Enterprises, and have given true and complete views on the Company's financial position, operating results, cash flows and other relevant information during the reporting period.

(II) Accounting period

The Company's accounting year begins on January 1 and ends on December 31 of every Gregorian calendar year.

(III) Operating cycle

The Company takes 12 months as an operating cycle and takes it as its liquidity classification criteria for assets and liabilities.

(IV) Functional currency

Chinese Renminbi (RMB) is the functional currency of the Company, and the presentation currency of the financial statements. The company and its subsidiaries select recording currency based on valuation and settlement currency of main business incomes and expenses.

(V) 4. Accounting method for merger of enterprises under the common control and not under the common control

1. Merger of enterprises under common control

Enterprises participating in the merger are subject to the final control of the same party or parties before and after the merger and the control is not temporary. it is a merger of enterprises under the same control. The merger date is the date when the merging party actually acquires control of the merged party.

Assets and liabilities acquired in the enterprise merger shall be measured according to the book value of the merged party in the consolidated financial statements of the final controlling party on the date of merger. If the accounting policies adopted by the parties to the merger are inconsistent with the company's, the merging party will adjust them according to the company's accounting policies on the date of merger and confirm them based on the adjusted book value.

The difference between the book value of net assets acquired in the merger and the book value of the merger consideration paid (or the total face value of shares issued) shall be adjusted by adjusting the share capital premium in the capital reserve. if the share capital premium in the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

All directly related expenses incurred for the merger, including audit fees, evaluation fees, legal service fees, etc. paid for the merger, are included in the profits and losses of the current period when incurred.

Fees and commissions incurred in the issuance of equity securities in the merger of enterprises shall offset the premium income of equity securities. if the premium income is insufficient to offset, the retained earnings shall be offset.

The merger of enterprises under the same control, which is realized step by step through multiple transactions, belongs to the "package transaction". the company takes each transaction as a transaction that gains control and carries out accounting treatment. If it does not belong to the "blanket transaction", the accounting treatment shall be carried out according to the following steps on the day when control is obtained:

(1) Determine the initial investment cost of the long-term equity investment formed by the merger of enterprises under the same control. On the consolidation date, the initial investment cost of the long-term equity investment will be determined based on the share of the net assets of the consolidated party in the book value of the consolidated financial statements of the final controlling party after the consolidation.

(2) The treatment of the difference between the initial investment cost of long-term equity investment and the book value of the combined consideration. The difference between the initial investment cost of the long-term equity investment on the merger day and the book value of the long-term equity investment before the merger plus the book value of the new consideration for shares acquired on the merger day shall be adjusted. if the capital reserve (capital premium or equity premium) is insufficient to offset, the retained earnings shall be offset.

(3) For equity investments held prior to the date of merger, other comprehensive income recognized as a result of equity method accounting or financial instrument recognition and measurement criteria accounting will not be subject to accounting treatment for the time being until the investment is disposed of on the same basis as the invested entity directly disposes of the relevant assets or liabilities. Other changes in owner's equity other than net profit and loss, other comprehensive income and profit distribution in the net assets of the invested unit recognized as a result of the equity method shall not be subject to accounting treatment for the time being until the investment is disposed of and transferred to the current profit and loss. Among them, if the remaining equity after disposal is accounted for by the cost method or equity method, other comprehensive income and other owner's equity shall be carried forward according to the proportion. if the

remaining equity after disposal is changed to be accounted for according to the financial instrument recognition and measurement standards, other comprehensive income and other owner's equity shall be carried forward completely.

(4) For the accounting treatment in the consolidated financial statements, see note III, (VI) of this note.

2. Merger of enterprises under different control

All parties participating in the merger are not subject to the final control of the same party or the same parties before and after the merger, and are enterprises under different control.

On the date of purchase, the buyer shall measure the assets, liabilities incurred or assumed as consideration for the merger of enterprises according to the fair value. The difference between the fair value and the book value is included in the profit and loss of the current period.

The purchaser allocates the consolidated cost on the purchase date and confirms the fair value of all identifiable assets, liabilities and contingent liabilities of the acquiree.

The buyer recognizes the difference between the merger cost and the fair value of the acquiree's identifiable net assets obtained during the merger as goodwill. The difference between the consolidated cost and the fair value of the acquiree's identifiable net assets obtained during the consolidation shall be included in the current profits and losses after review.

All other assets of the acquiree other than intangible assets (not limited to those originally confirmed by the acquiree) acquired in the merger of enterprises are likely to flow into the company. if the fair value can be measured reliably, they are separately confirmed and measured at fair value. Intangible assets whose fair value can be measured reliably are individually recognized as intangible assets and measured at fair value; Where the acquired liabilities of the acquiree other than contingent liabilities are likely to cause economic benefits to flow out of the company and the fair value can be measured reliably, they are separately recognized and measured according to the fair value; If the fair value of the contingent liability of the acquiree can be measured reliably, it is separately recognized as a liability and measured according to the fair value.

In the initial recognition of the assets of the acquiree acquired in the merger, intangible assets owned by the acquiree but not recognized in its financial statements shall be fully recognized and reasonably judged. if one of the following conditions is met, they shall be recognized as intangible assets: (1) derived from contractual rights or other legal rights; (2) it can be separated or divided from the buyers and can be used for sale, transfer, licensing, lease or exchange alone or together with related contracts, assets and liabilities.

If the deductible temporary difference of the acquiree obtained by the acquirer in the enterprise merger does not meet the conditions for recognition of deferred income tax assets on the date of purchase, it will not be recognized. Within 12 months after the date of purchase, if new or further information is obtained indicating that the relevant situation on the date of purchase already exists, and the economic benefits expected to be realized by the purchaser from the deductible temporary differences on the date of purchase, the relevant deferred income tax assets will be recognized, while the goodwill will be reduced. if the goodwill is insufficient to be offset, the difference will be recognized as the current profit and loss. In addition to the above, deferred income tax assets related to business combination are recognized and included in the current profits and losses.

Where the merger is not under the same control, the intermediary fees such as auditing, legal services, evaluation and consultation and other related administrative expenses incurred by the purchaser for the merger shall be included in the profits and losses of the current period when incurred; The transaction costs of equity securities or debt securities issued by the purchaser as merger consideration are included in the initial recognition amount of equity securities or debt securities.

Where the buyer merges enterprises under different control step by step through multiple transactions, which is a " package transaction", the company will treat each transaction as a transaction that gains control. If it is not a " blanket transaction", the sum of the book value of the equity investment held by the acquiree before the date of purchase and the additional investment cost on the date of purchase shall be taken as the initial investment cost to be calculated according to the cost method in the individual financial statements. Other comprehensive income recognized by the equity investment of the acquiree held before the date of purchase due to equity method shall be accounted for on the same basis as the related assets or liabilities directly disposed of by the investee when disposing of the investment. the owner's equity recognized due to changes in the owner's equity other than net profit and loss, other comprehensive income and profit distribution of the investee shall be transferred to the current profit and loss during the disposal period when disposing of the investment. Among them, if the residual equity after disposal is accounted for by the cost method or equity method according to the long-term equity investment standards, other comprehensive income and other owner's equity shall be carried forward according to the proportion. if the residual equity after disposal is changed to be accounted for according to the financial instrument recognition and measurement standards, other comprehensive income and other owner's equity shall be carried forward completely. For the accounting treatment in the consolidated financial statements, see note III, (VI) of this note.

If the equity investment held before the date of purchase is accounted for using financial instruments and measurement standards, the sum of the fair value of the equity investment plus the additional investment cost will be taken as the initial investment cost to be accounted for under the cost method. the difference between the fair value of the original equity held and the book value and the change in the accumulated fair value originally included in other comprehensive income will all be transferred to the current investment profit and loss to be accounted for under the cost method.

3. Judging multiple transactions as a judgment standard for a package transaction

The criteria for the company to judge multiple transactions as a package transaction are as follows:

- (1) These transactions were concluded at the same time or taking into account the 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) It is uneconomical to consider a transaction alone, but it is economical to consider it together with other transactions.

(VI) Preparation method of consolidated financial statements

The consolidated scope of the company's consolidated financial statements is determined on the basis of control, which means that the investor has the rights of the investee, enjoys variable returns through participation in related activities of the investee, and has the ability to use the rights of the investee to influence the amount of return. Related activities refer to activities that have a significant impact on the return of the investee.

The related activities of the investee are judged according to the specific situation, usually including the sale and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, research and development activities, and financing activities.

Judge whether to control the investee based on a comprehensive consideration of the objectives of the investee's establishment, the investee's related activities and how to make decisions on related activities, whether the company's rights enable it to dominate the investee's related activities, whether it enjoys variable returns through its participation in the investee's related activities, whether it has the ability to use its power over the investee to affect its return amount, and its relationship with other parties. Once changes in relevant facts and circumstances lead to changes in relevant elements involved in control, they will be reevaluated.

When judging whether they have power over the investee, they only consider the substantive rights related to the investee, including their own substantive rights and those enjoyed by other parties.

The company regards the entire enterprise group as an accounting entity based on the financial statements of itself and its subsidiaries and other relevant materials. according to the confirmation, measurement and presentation requirements of relevant enterprise accounting standards, the company has reflected the overall financial status, operating results and cash flow of the enterprise group in accordance with the uniform accounting policies and accounting periods. The merger procedures specifically include: merging the assets, liabilities, owner's equity, income, expenses, cash flow and other items of the parent company and its subsidiaries; Offsetting the long-term equity investment of the parent company in the subsidiary and the share of the parent company in the owner's equity of the subsidiary; Offset the impact of internal transactions between the parent company, subsidiaries and subsidiaries. if the internal transactions show that the related assets have suffered impairment losses, the part of losses shall be fully recognized. Adjust special transactions from the perspective of enterprise groups.

The shares of the subsidiary's owner's equity that do not belong to the parent company are listed as minority shareholders' equity under the item of owner's equity in the consolidated balance sheet as " minority shareholders' equity".

The share of the current net profit and loss of subsidiaries belonging to minority shareholders' rights and interests is listed as " minority shareholders' profits and losses" under the net profit item in the consolidated income statement. The share of the subsidiary's current comprehensive income belonging to minority shareholders' rights and interests is listed under the item " total comprehensive income attributable to minority shareholders" in the consolidated income statement.

If the loss of the current period shared by the minority shareholders of the subsidiary exceeds the share of the minority shareholders in the owner's equity of the subsidiary at the beginning of the period, the balance shall still be offset against the minority shareholders' equity.

Unrealized gains and losses on internal transactions arising from the sale of assets to subsidiaries fully offset the " net profit attributable to the owner of the parent company". The unrealized gains and losses of internal transactions incurred by

subsidiaries in selling assets to the parent company shall be distributed and offset between " net profit attributable to the owner of the parent company" and " profits and losses of minority shareholders" according to the distribution proportion of the parent company to the subsidiaries. Unrealized gains and losses on internal transactions arising from the sale of assets between subsidiaries are distributed and offset between " net profit attributable to the owner of the parent company" and " profit and loss of minority shareholders" according to the distribution ratio of the parent company to the selling subsidiary company.

During the reporting period, the company adjusts the opening amount of the consolidated balance sheet when preparing the consolidated statement for subsidiaries and businesses added by the merger under the same control. the income, expenses and profits of the subsidiaries and businesses from the beginning of the current period to the end of the reporting period are included in the consolidated income statement. the cash flow is included in the consolidated cash flow statement. at the same time, the related items in the comparative statement are adjusted as if the consolidated reporting entity has existed since the point when the final controlling party began to control.

During the reporting period, when preparing the consolidated balance sheet, the company will not adjust the opening amount of the consolidated balance sheet for subsidiaries and businesses that have been merged or otherwise increased due to non-identical control. the income, expenses, profits and cash flows of the subsidiaries and businesses from the date of purchase to the end of the reporting period will be included in the consolidated income statement and consolidated cash flow statement.

During the reporting period, the company will not adjust the opening amount of the consolidated balance sheet when it disposes of subsidiaries and businesses and prepares the consolidated balance sheet. the income, expenses and profits of the subsidiaries and businesses from the beginning of the period to the disposal date will be included in the consolidated income statement and cash flows will be included in the consolidated cash flow statement.

If the parent company purchases the equity of the subsidiary owned by minority shareholders of the subsidiary company, the difference between the newly acquired long-term equity investment and the net asset share of the subsidiary company calculated according to the newly-increased shareholding ratio shall be adjusted in the consolidated financial statements. if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

If the enterprise merger under the same control realized through multiple transactions step by step does not belong to the " package transaction", the long-term equity investment held by the merging party before the merger is achieved on the date of acquisition and the date of final control of the merging party and the merged party, has confirmed the relevant profit and loss, other comprehensive income and other changes in owner's equity between the date of acquisition and the date when the merging party and the merged party are in the same party's final control, respectively reducing the initial retained income or current profit and loss during the comparison report period.

If the merger of enterprises under different control is realized step by step through multiple transactions and does not belong to a " blanket transaction", the equity of the acquiree held before the date of purchase shall be remeasured according to the fair value of the equity at the date of purchase, and the difference between the fair value and the book value shall be included in the current investment income. If the equity of the acquiree held before the date of purchase involves other comprehensive income under the equity method, the other comprehensive income related to it will be converted into the current income at the date of purchase. Other comprehensive income arising from the remeasurement of net liabilities or changes in assets of the designated income plan by the investee is excluded.

The parent company partially disposes of the long-term equity investment in the subsidiary without losing control. in the consolidated financial statements, the difference between the disposal price and the share of net assets that the subsidiary has continuously calculated since the purchase date or the consolidation date is corresponding to the disposal price of the long-term equity investment, and the capital reserve (capital premium or equity premium) is adjusted. if the capital reserve is insufficient to offset, the retained earnings are adjusted.

If the control right of the investee is lost due to the disposal of some equity investments, the remaining equity shall be remeasured according to its fair value at the date of loss of control when preparing the consolidated financial statements. The sum of the consideration obtained for disposal of the equity and the fair value of the remaining equity, less the difference between the shares of the original subsidiary's net assets calculated on the basis of the original shareholding ratio and the shares of the original subsidiary's net assets continuously calculated from the date of purchase or the date of merger, is included in the investment income of the current period when the control right is lost, and at the same time the goodwill is offset. Other comprehensive income related to the original subsidiary's equity investment will be converted to the current investment income when it loses control.

If a subsidiary company's equity investment is disposed of step by step through multiple transactions until it loses control, if the disposal of the transactions of the subsidiary company's equity investment until it loses control belongs to a package transaction, the transactions will be treated as a transaction that disposes of the subsidiary company and loses control.

However, before the loss of control, the difference between each disposal price and the share of net assets of the subsidiary corresponding to the disposal investment is recognized as other comprehensive income in the consolidated financial statements and transferred to the profits and losses of the current period when the control right is lost.

The consolidated statement of changes in owner's equity is based on the consolidated balance sheet and consolidated income statement.

(VII) Classification of joint venture arrangements and accounting methods for joint operations

Joint arrangement refers to an arrangement jointly controlled by two or more participants. Common control refers to the control that is common to an arrangement according to the relevant agreement, and the relevant activities of the arrangement can only be decided after the parties sharing control agree. When judging whether there is common control, one should first judge whether all participants or groups of participants collectively control the arrangement, and secondly judge whether the decision-making of related activities of the arrangement must be agreed by the participants collectively controlling the arrangement.

The company determines the classification of the joint venture arrangement based on the rights and obligations it enjoys in the joint venture arrangement. Joint arrangements are divided into joint operations and joint ventures.

Joint operation refers to the joint venture arrangement in which the joint venture party enjoys the relevant assets of the arrangement and bears the relevant liabilities of the arrangement. The company confirms the following items related to its share of interests in joint operations and carries out accounting treatment in accordance with the relevant accounting standards for enterprises:

1. Confirm the assets held separately and confirm the jointly held assets according to their shares;
2. Recognizing the liabilities borne separately and recognizing the liabilities borne jointly according to their shares;
3. Recognizing the income generated from the sale of its share of common operating output;
4. Recognizing the income generated from the sale of output from joint operations according to its share;
5. Confirm the expenses incurred separately, and confirm the expenses incurred by the joint operation according to its share.

(VIII) Recognition criteria of the cash and cash equivalents

In preparation of the cash flow statement, the cash on hand and the deposits that are available for payment at any time are recognized as cash. The cash equivalents are the short-term (generally becoming matured within 3 months from the acquisition date) and high-liquidity investments that are readily convertible into cash of known amount and have insignificant risks of change in value.

(IX) Translation of foreign currency business and foreign currency statements

1. Translation of foreign-currency transactions

The transactions denominated in foreign currencies are translated into RMB amounts at the spot exchange rate ruling on the transaction date.

The balance of the monetary items denominated in foreign currencies is translated at the spot exchange rate ruling on the balance sheet date, and the resulting exchange difference is recognized in the current profit and loss, except that the exchange difference incurred by special loans in foreign currency that are related to acquisition and construction of the qualifying assets is subject to the capitalization principle of the borrowing expenses. The non-monetary items in foreign currencies that are measured at the historical cost are still translated at the spot exchange rate ruling on the transaction date, and the amounts in the functional currency remain unchanged. The non-monetary items in foreign currencies that are measured at fair value are translated at the spot exchange rate ruling on the date when the fair value is determined, and the resulting exchange difference is recognized in the current profit and loss or the other comprehensive income.

2. Translation of the foreign-currency statements

The asset and liability items in the balance sheet are translated at the spot exchange rate ruling on the balance sheet date; the owners' equity items other than "undistributed profits" are translated at the spot exchange rate ruling on accrual. The income and expense items in the income statement are translated at the spot exchange rate ruling on the translation date. The difference from aforesaid translation of the foreign-currency financial statements is separately presented as the "translation reserve" item under other comprehensive income.

When the overseas operations are disposed, the translation reserve item presented under other comprehensive income and related to such overseas operations in the balance sheet is reserved through profit or loss from other comprehensive income; when the overseas operations are disposed in part, the translation reserve of the disposed overseas operations is

calculated and reserved through profit or loss pro rata.

(X) Financial instruments

The financial instruments include the financial assets, the financial liabilities or other equity instruments. When the Company becomes a party to the financial instrument contracts, a financial asset or financial liability is recognized.

1. Classification of financial instruments

For the purposes of the financial assets and financial liabilities, the management classifies the financial instruments as the financial assets or liabilities at fair value through profit or loss (FVTPL), including the held-for-trading financial assets or liabilities, and the financial assets or liabilities designated at FVTPL; held-to-maturity investments; receivables; available-for-sale financial assets; and other financial liabilities.

2. Recognition basis and measurement method of the financial instruments

(1) Financial assets (financial liabilities) measured at fair value and whose changes are included in the profits and losses of the current period

At the time of acquisition, the fair value (net of cash dividends declared but not yet paid or interest on bonds that have reached the interest payment period but not yet received) shall be taken as the initial recognition amount, and the relevant transaction costs shall be included in the profits and losses of the current period.

Interest or cash dividends earned during the holding period are recognized as investment income, and changes in fair value are included in current profits and losses at the end of the period.

At the time of disposal, the difference between its fair value and the initial recorded amount is recognized as investment income, while adjusting the profit and loss of changes in fair value.

(2) Held-to-maturity investments

The sum of the fair value (net of the unclaimed bond interest whose interest payment period expired) and the relevant transaction expenses is the initial recognition amount at the time of acquisition.

During the holding period, the interest income is calculated at the amortized cost and the effective interest rate, and recorded in the investment income. The effective interest rate is determined on acquisition, and remains unchanged during the expected duration or where appropriate, shorter period.

At the time of disposal, the difference between the proceeds and the carrying amount of such investments is recorded in the investment income.

When a large amount of held-to-maturity investment is sold or reclassified before the maturity date, the remaining part of such investment is reclassified as available-for-sale financial assets, and no financial asset will be classified as held to maturity in the current accounting period or the next two full accounting years, except for the following circumstances: The sale date or reclassification date is closer to the investment maturity date or redemption date (if within three months before the expiration), the market interest rate change has no significant effect on the fair value of the investment; the remaining part will be sold or reclassified after recovering almost all the initial principal of the investment according to the regular repayment or prepayment agreed in the contract. Sales or reclassification is caused by independent events which cannot be controlled and are expected not to occur repeatedly as well as difficult to be reasonably expected by the enterprise.

Based on the resolution of the board of directors (or shareholders meeting) of the Company, the "larger amount" is: More than RMB XXX

(3) Accounts receivable

In respect of the creditor's rights receivable from external sales of commodities or provision of labor services, and the creditor's rights held in other enterprises other than the debt instruments that do not have a quoted price in the active market, including the accounts receivable and other receivables, the initial recognition amount is the contract or agreement price receivable from the buyer; if the creditor's rights are of financing nature, such creditor's rights are initially recognized at the present value.

At the time of recovery or disposal, the difference between the received price and the carrying amount of such accounts receivable is recognized in the current profit and loss.

(4) Available-for-sale financial assets

The sum of the fair value (net of the cash dividends that have been announced but outstanding or the unclaimed bond interest whose interest payment period expired) and the relevant transaction expenses is the initial recognition amount at the

time of acquisition.

During the holding period, the earned interest or cash dividends are recognized as the investment income. At the end of the period, the available-for-sale financial assets are measured at fair value, and the change in fair value is recorded in other comprehensive income. The equity investments that do not exert control, common control or significant influence on the investees, nor have quoted price in an active market and reliably measurable fair value are stated as the available-for-sale financial assets, and are subsequently measured at cost.

At the time of disposal, the difference between the received price and the carrying amount of such financial assets is recognized in the investment gains or losses. Meanwhile, the amounts corresponding to the accumulated changes in fair value of the previous other comprehensive income are reversed and recognized in the investment gains or losses.

(5) Other financial liabilities

The sum of its fair value and related transaction costs shall be taken as the initial recognition amount. Amortized cost is used for subsequent measurement.

3. Recognition basis and measurement method for transfer of the financial assets

When the financial assets are transferred, if substantially all of the risks and rewards in the ownership of the financial assets have been transferred to the transferee, then, such financial assets are derecognized; if substantially all of the risks and rewards in the ownership of the financial assets have been retained, then, such financial assets are not derecognized.

The principle of substance over form is used to judge whether transfer of the financial assets meets the aforesaid derecognition conditions of the financial assets. The Company distinguishes transfer of financial assets into overall transfer and partial transfer. If overall transfer of the financial assets meets the derecognition conditions, the difference between the following amounts is recognized in the current profit and loss:

(1) Carrying amount of the transferred financial assets; and

(2) Sum of the consideration received for transfer and the accumulated changes in fair value that are previously recognized in the owners' equity (if the transferred financial assets are the available-for-sale financial assets).

When partial transfer of financial assets meets the derecognition conditions, the carrying amounts of the transferred assets are amortized to the derecognized financial assets and non-derecognized financial assets at their relative fair values, and the difference between the following amounts is recognized in the current profit and loss:

(1) Carrying amount of the derecognized financial asset; and

(2) Sum of the consideration of the derecognized financial assets, and the accumulated changes in fair value of the derecognized financial assets that are previously and directly recognized in the owners' equity (if the transferred financial assets are the available-for-sale financial assets).

If transfer of the financial assets does not meet the derecognition conditions, such financial assets continue to be recognized, and the received consideration is recognized as financial liability.

4. Derecognition conditions of the financial liabilities

If the present obligations of the financial liabilities have been cancelled in whole or part, such financial liabilities or a part thereof is derecognized. If the Company and the creditor sign an agreement, in which, the existing financial liabilities are replaced by the new financial liabilities, and the contract terms and conditions of the new financial liabilities are substantially different from that of the existing financial liabilities; the existing financial liabilities are derecognized, and the new financial liabilities are recognized at the same time.

If all or part of the contract terms and conditions of the existing financial liabilities are substantially modified, then, the existing financial liabilities or part thereof are derecognized, and the financial liabilities subject to the modified terms and conditions are recognized as a new financial liability at the same time.

If the financial liabilities are derecognized in whole or party, the difference between the carrying amounts of the derecognized financial liabilities and the consideration payment (including transfer-out non-cash assets or new financial liabilities) is recognized in the current profit and loss.

If part of the financial liabilities is repurchased, the carrying amounts of such financial assets as a whole are allocated to the financial assets that continue to be recognized and derecognized at their relative fair value on the repurchase date. The difference between the carrying value allocated to the derecognized part and the consideration paid (including the transferred non-cash assets or new financial liabilities assumed) shall be recorded into the current profits and losses.

5. Method for determining fair value of financial assets and financial liabilities

Financial assets and financial liabilities that are measured at fair value are all directly referenced to quoted prices in active markets

6. Impairment of financial assets (excluding receivables)

In addition to the financial assets measured at fair value and whose changes are recorded in current profits and losses, the Company checks the carrying value of other financial assets on each balance sheet date. If there is objective evidence of impairment of financial assets, impairment provision shall be accrued.

(1) Impairment of the available-for-sale financial assets

At the end of the period, if the fair value of the available-for-sale financial assets is declined sharply, or it is expected that such decline is non-transient by comprehensively taking into various relevant factors, it is affirmed that the available-for-sale financial assets have been impaired. The previous accumulated losses arising from decline in fair value that is directly included in other comprehensive income are reversed in full, and the impairment loss is recognized.

If the estimated future cash flows of the available-for-sale financial assets are reduced due to the following loss events, and could be reliably measured, it is affirmed that such available-for-sale financial are impaired:

- ① The debtor has significant financial difficulty;
- ② The debtor has violated the contract terms and conditions, such as default or delinquency in payment of interest or principal;
- ③ The Company makes concession with the debtor who has the financial difficulty by taking into account economic or legal factors;
- ④ It is probable that the debtor will be closed down or otherwise enters financial restructuring;
- ⑤ The issuer has significant financial difficulty, and such financial assets cannot continue to be traded in the active market;
- ⑥ The technical, market, economic or legal environments of the equity instrument issuer are significantly changed, and the equity instrument investor might not recover the investment costs;
- ⑦ The fair value of the equity instrument investments suffers from sharp or non-transient drop.

If it is affirmed that the financial assets have been impaired, the previous accumulated losses arising from decline in fair value that is directly included in owners' equity are reversed together, and the impairment loss is recognized. If the fair value of the available-for-sale debt instruments whose impairment loss has been recognized is increased during the subsequent accounting periods, and such increase is objectively related to the events that take place upon recognition of the previous impairment loss, the previously recognized impairment loss is reversed through the profit or loss. The impairment losses from investment in the available-for-sale equity instruments are not reserved through profit or loss.

(2) Impairment provision of held-to-maturity investments

Measurement of the impairment losses of the held-to-maturity investments is subject to the measurement method of the impairment loss of the receivables.

(XI) Accounts receivable

Receivables include accounts receivable and other receivables.

At the end of the period, if there is objective evidence that the accounts receivable are impaired, their carrying amounts are reduced to the recoverable amount, and the reduced amount is recognized as the asset impairment loss through profit or loss. The recoverable amount is determined by discounting their future cash flows (excluding the credit losses that have not been incurred) at the original effective interest rate, by taking into account the values of the relevant collaterals (net of the estimated disposal expenses). The original effective interest rate is the effective interest rate calculated and determined when such accounts receivable is initially recognized. The difference between the estimated future cash flows and the present value of the short-term accounts receivable is remote. When the relevant impairment losses are determined, the estimated future cash flows are not discounted.

1. Receivables with large single amount and single provision for bad debts

Judgment basis or amount standard for major single amount:	Judgment basis or amount standard for major single amount: single amount of accounts receivable, including related party transactions, exceeds 10 million
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	yuan, and single amount of other accounts receivable exceeds 5 million yuan.
Accrual method for single large amount of money and single accrual of bad debt reserve:	at the end of the period, impairment tests will be conducted separately for accounts receivable (including accounts receivable and other accounts receivable) with single large amount of money. If there is objective evidence that it is impaired, the impairment loss shall be confirmed and provision for bad debts shall be made based on the difference between the present value of its future cash flow and its book value.

2. Accounts receivable with withdrawn bad debt reserves as per the portfolio of credit risk characteristics

For accounts receivable with a single amount that is not significant, they are divided into several combinations together with accounts receivable that have not been impaired after being individually tested according to their credit risk characteristics. based on the actual loss rate of accounts receivable combinations with the same or similar credit risk characteristics in previous years, the proportion of bad debt reserves to be accrued for each combination in the current period is determined in combination with the current situation, and the bad debt reserves to be accrued for the current period are calculated accordingly.

Combination determination basis	
Combination 1: Aging combination	The credit risk characteristics are divided into groups based on the age of accounts receivable
Combination 2: risk-free portfolio	The credit risk characteristics are divided into groups based on the debt units of receivables (specific units, related parties and government transactions)
Calculation method of bad debt reserves by combination	
Combination 1: Aging combination	Aging analysis method
Combination 2: risk-free portfolio	No bad debt reserves are calculated

In the combination, if the bad debt reserves are calculated using the aging analysis method:

Aging	Calculation percentage of accounts receivable (%)	Calculation percentage of other receivables (%)
Within 1 year (including 1 year)	1	1
1-2 years	5	5
2-3 years	10	10
3-4 years	20	20
4-5 years	50	50
More than 5 years	100	100

3. Accounts receivable for individually non-significant amount but single withdrawing bad debt reserves

Reasons for individually withdrawing of bad debt reserves	Receivables that have disputes with the other party or involve litigation or arbitration; There are obvious signs that the debtor is likely to be unable to fulfill its repayment obligations. The amount of a single item is not significant and the provision for bad debts based on the combination does not reflect its risk characteristics, including the receivables of the nature of the reserve fund. On the balance sheet date, there are obvious signs of impairment for other accounts receivable with single amount that is not significant
Accrual method of bad debt reserve	Based on the difference between the present value of its future cash flow and its book value, the impairment loss is confirmed and the bad debt reserve is accrued.

(XII) Inventory

1. Classification of inventories

Inventories are classified as: materials in transit, raw materials, turnover materials, inventory commodities, in-process products, issued goods, commissioned processing materials, consumptive biological assets, etc.

2. Valuation methods of the received and delivered inventories

Inventory is measured at cost when it is acquired. Inventory costs include purchase cost, processing cost and other costs.

Inventory is valued on a first-in-first-out basis when it is issued.

3. Determination basis of the net realizable value of the inventories, and the calculation method of the inventory falling price reserves

After the inventories are fully assessed at the end of the period, the inventory falling price reserves are calculated or adjusted at the lower of the costs of the inventories and the net realizable value.

In respect of the finished products, the merchandise inventories, the materials available for sale, and other merchandise inventories that are directly used for sale, in the normal production and operation process, the estimated selling price of such inventories, net of the estimated selling expenses and relevant taxes, is recognized as the net realizable value; in respect of the materials in stock to be processed, in the normal production and operation process, the estimated selling price of the finished products, net of the costs to be incurred, the estimated selling expenses and relevant taxes, is recognized as the net realizable value; in respect of the inventories held for execution of the sales contracts or labor contracts, the net realizable value is calculated at the contract price; if the inventories exceed the ordered quantities under the sales contract, the net realizable value of the excessive inventories is calculated at the general selling price.

At the end of the period, the inventory falling price reserve is calculated at the single inventory item; however, in respect of the inventories that are numerous and have lower unit price, the inventory falling price reserve is calculated by the category of the inventories; the inventories that are related to the product series produced and sold in the same place, have the same or similar ultimate usage or purpose, and are hard to be separated from other items are combined to calculate the inventory falling price reserve.

If the previous factors that eliminate the value of the inventories disappear, the reduced amount will be reversed through the amount of the previous inventory falling price reserve, and the reversal amount is recorded in the current profit and loss.

4. Inventory system

The Company's inventories are subject to the perpetual inventory system.

5. Amortization method of the low-value consumables and packaging materials

(1) For amortization of low-value consumables, the one-time write-off method is adopted;

(2) The packaging materials are amortized using the one-off write-off method.

(XIII) Held-for-sale assets

1. Recognition criteria for non-current assets or disposal groups held for sale

If the company collects the book value mainly through selling (including substantially commercial non-monetary assets exchange, similarly hereinafter) rather than continuously use a non-current asset or disposal group, the non-current asset or disposal group shall be divided into held-for-sale.

Non-current assets or disposal groups that meet the following conditions at the same time are divided into the held-for-sale category:

In accordance with the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under the current conditions;

Great sale probability: the company has made decision for a sales plan and obtained the confirmed purchase commitment, and such sale is predicted to be completed within one year. If the relevant regulations require the approval of the relevant authorities or regulatory authorities of the company before the sale, it has been approved.

The confirmed purchase commitment refers to the legally-binding purchase agreement signed between the company and other parties, and the agreement shall include such important articles as transaction price, time and strict violation punishment in order to minimize the possibility for significant adjustment or cancellation of the agreement.

2. Accounting treatment of non-current assets or disposal groups held for sale

When a company initially measures or re-measures non-current assets or disposal groups held for sale on the balance sheet date, If the book value is higher than the net amount of fair value minus the selling expenses, the book value shall be written down to the net amount of fair value minus the selling expenses, and the written down amount shall be recognized as asset impairment loss, which shall be included in the current profits and losses, and the impairment reserve for assets held for sale shall be made at the same time.

(1) The estimated net salvage value of the fixed asset shall be adjusted for fixed assets held for sale. The estimated net

salvage value of the fixed asset can reflect its fair value minus the disposal expenses, but it shall not exceed the original book value of the fixed asset when it meets the conditions for holding for sale. The difference between the original book value and the adjusted estimated net salvage value shall be included in the current profits and losses as an asset impairment loss. The held-for-sale fixed assets are non-depreciable, according to the net amount after book value and fair value subtract the disposition expense to determine which is lower and then are calculated by the lower one.

(2) The accounting shall cease to be based on the equity method from the date of division to the date of holding for sale towards equity investment in joint ventures or joint ventures held for sale

(3) Where the sale of investment in a subsidiary will lead to the loss of control of the subsidiary by the Company, Regardless of whether the Company retains minority shareholders' interests after the disposal, When the investment in subsidiaries to be sold meets the classification conditions of held for sale, the Company classifies the investment in subsidiaries as a whole in the individual financial statements of the parent company as held for sale, and classifies all assets and liabilities of subsidiaries as held for sale in the consolidated financial statements.

3. Accounting treatment when no longer met the recognition conditions for holding for sale

(1) If an asset or disposal group is classified as held for sale, but the recognition conditions for fixed assets held for sale are no longer met, the Company will stop classifying it as held for sale and measure it according to the lower of the following two amounts:

① The book value of the asset or disposal group before it is classified as held for sale, adjusted for depreciation, amortization or impairment that it would have recognized if it had not been classified as held for sale;

② The amount recovered on the date when it is decided not to sell again.

(2) The Company shall make retrospective adjustment by adopting the equity method from the date when it is classified as assets held for sale if the equity investment in an associated enterprise or joint venture that has been classified as held for sale no longer meets the classification conditions of assets held for sale.

4. Accounting treatment of other non-current assets held for sale

Based on the above principles, other non-current assets referred to here do not include deferred income tax assets, assets formed by employee compensation, financial assets regulated by Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, the intangible assets and other non-current assets that meet the conditions for holding for sale investment real estate and biological assets measured at fair value, and contractual rights arising from insurance contracts.

(XIV) Long - term equity investment

1. Classification and judgment basis of long-term equity investment

(1) Classification of long-term equity investment

Long-term equity investment means the investor implements control, major impact of equity investment to the invested unit, as well as the equity investment to the joint venture.

(2) Judgment basis of long-term equity investment

① The basis for determining control of the invested unit is detailed in this note III and (VI).

② To determine the basis that has a significant impact on the invested unit:

Significant influence refers to the power to participate in the decision-making of an enterprise's financial and business decisions, but it cannot control or jointly control the formulation of these policies with other parties.

The company shall take advantage of one or several situations listed below to make sure if there is a significant influence on invested unit:

A.Appoint representatives in the board of directors or equivalent authorities of the invested unit. In this case, the investor can participate in policy formulation in terms of financial and management of invested unit by means of representatives assigned to board of directors or equivalent authorities of the invested unit who are entitled to the rights of substantial participation of decision-making correspondingly, in order to exert significant influence on invested unit.

B.Participate in making financial and operation policy for the invested unit. In this case, suggestions and advice can be put forward in terms of its self-interest in the course of policy formulation to exert significant influence on invested unit.

C.Conducting important deals with the invested unit. As these deals are of significance to day-to-day operations of the

invested units, they can influence operating decisions to some extent.

D. Send administrative staff to invested unit. In this case, administrative staff is entitled to take the lead in relevant activities of invested unit to exert on significant influence.

E. Provide key technical data for the invested unit. Reliance of the invested unit on technologies or technical data of the investor indicates the significant influence of investor on the invested unit.

When the company takes into consideration of significant influence on the investee, it's not limited to the presence or absence of one or several situations aforementioned, and all of the facts and conditions shall be considered comprehensively to make an integrated judgment.

Equity investment that the investor has significant influence on invested unit is equal to the investment for the associate.

③ The basis for making sure whether the invested unit is a joint venture:

A joint venture refers to a joint venture arrangement in which the company only has rights to the net assets of the arrangement.

The definition and classification of joint venture arrangements and the criteria for judging joint control are detailed in this note III and (VII).

2. Confirmation of initial cost of long-term equity investment

(1) Long-term equity investment formed by merger of enterprises

Enterprise merger under the same control: if the company pays cash, transfers non-cash assets or undertakes debts and issues equity securities as merger consideration, the initial investment cost of long-term equity investment shall be based on the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the final controlling party on the merger date. The difference between the initial investment cost of long-term equity investment and the payment of merger consideration, adjust the capital reserve (capital premium or equity premium); If the capital reserve (capital premium or equity premium) is insufficient to offset, the retained earnings shall be adjusted. If the merging party takes the issuance of equity securities as the merger consideration, the capital reserve (capital premium or equity premium) shall be adjusted according to the total nominal value of the issued shares as the share capital, the difference between the initial investment cost of the long-term equity investment and the total nominal value of the issued shares should be adjusted. If the capital reserve (capital premium or equity premium) is insufficient to offset, the retained earnings shall be adjusted.

Merger of enterprises not under the same control: the company takes the merger cost determined on the purchase date as the initial investment cost of long-term equity investment. The consolidated cost is the fair value of the assets, liabilities incurred or assumed by the purchaser and equity securities issued at the date of purchase in order to gain control over the acquiree. The transaction costs of equity securities or debt securities issued by the purchaser as merger consideration are included in the initial recognition amount of equity securities or debt securities. The initial investment cost of the investment is the sum of the book value of the equity investment held by the acquiree before the purchase date and the additional investment cost on the purchase date. The company takes the contingent consideration agreed in the merger agreement as part of the transfer consideration of the merger and includes it in the cost of the merger according to its fair value at the date of purchase.

The auditing, legal services, evaluation and consultation and other related management fees incurred by the merging party or the buyer for the merger of enterprises shall be included in the profits and losses of the current period when incurred.

(2) Long-term equity investments obtained by other methods

For long-term equity investments obtained by cash payment, the actual purchase price paid shall be taken as the initial investment cost. The initial investment cost includes expenses, taxes and other necessary expenses directly related to obtaining long-term equity investment.

The initial investment cost is the fair value of the long-term equity investment obtained from the issuance of equity securities.

On the premise that the exchange of non-monetary assets has commercial essence and the fair value of the exchanged assets or the exchanged assets can be measured reliably, the long-term equity investment of the exchange of non-monetary assets determines its initial investment cost based on the fair value of the exchanged assets, unless there is conclusive evidence that the fair value of the exchanged assets is more reliable; If the exchange of non-monetary assets does not meet the above requirements, the book value of the assets exchanged and the related taxes payable shall be taken as the initial investment cost of the long-term equity investment.

The initial investment cost of long-term equity investments obtained through debt restructuring includes other costs such

as the fair value of abandoning the creditor's rights and taxes directly attributable to the asset.

3. Subsequent measurement of long-term equity investments and methods of profit or loss recognition

The company can use the cost method to calculate the long-term equity investment controlled by the invested unit.

Long-term equity investments accounted for using the cost method are valued at the initial investment cost. Add or withdraw investment to adjust the cost of long-term equity investment. The cash dividends or profits declared and distributed by the invested unit are recognized as current investment revenues.

The long-term equity investment in joint ventures and associated enterprises shall be accounted by the equity method. The difference between the initial investment cost and the fair value share of the identifiable net assets of the invested entity shall be enjoyed when the investment is made, and the initial investment cost of the long-term equity investment shall not be adjusted; The difference between the initial investment cost and the fair value of the identifiable net assets of the invested entity shall be included in the profits and losses of the current period, and the cost of long-term equity investment shall be adjusted at the same time.

After obtaining the long-term equity investment, the Company shall separately confirm 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, and adjust the carrying value of the long-term equity investment; according to the profit or cash dividend declared and distributed by the investee, the carrying value of the long-term equity investment shall be reduced accordingly; for other changes in owner's equity of the investee except net profit and loss, other comprehensive income and profit distribution, the Company shall adjust the carrying value of long-term equity investment and record it into the owner's equity.

The Company shall, based on the fair value of identifiable assets of the investee at the time of obtaining the investment, recognize its share of the net profit and loss of the investee after adjusting the net profit of the investee.

If the accounting policies and accounting periods adopted by the invested unit are different from those adopted by our company, the adjustment shall be made for the financial statements of the invested unit in accordance with the accounting policies and accounting periods of our company to recognize the investment income and other comprehensive incomes.

When confirming the net loss incurred by the invested unit, the Company will reduce the book value of the long-term equity investment and other long-term equities that substantially constitute the net investment in the invested unit to the extent of zero, unless the Company assumes the obligation to undertake the additional loss.

If the investee realizes net profits in the future, the Company will resume the confirmation of the revenue share after its income sharing amount makes up for the unconfirmed loss shares.

In calculation and recognition of net profits and losses of the invested unit to be shared or assumed, unrealized internal transaction profits and losses among associated enterprises and joint ventures shall be calculated based on the attributable proportion and the part attributable to the parent company shall be offset and the investment income shall be recognized on such a basis.

In line with the relevant provisions of *Accounting Standards for Business Enterprises No.8-Asset Impairment*, the transaction loss shall be recognized in full if the unrealized internal transaction loss between the Company and the invested entity is an asset impairment loss.

The Company can exert significant influence on the investee or implement joint control but does not constitute control due to additional investment and other reasons, the sum of the fair value of the equity investment originally held and the new investment cost determined according to *Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments* shall be taken as the initial investment cost calculated by the equity method instead. If the equity investment originally held is classified as available-for-sale financial assets, the difference between its fair value and book value, as well as the change of accumulated fair value originally included in other comprehensive income, will be transferred to the current profits and losses accounted by the equity method instead.

If the Company loses common control or significant influence on the invested entity due to the disposal of some equity investments, the remaining equity after disposal shall be accounted for according to accounting standards for enterprises No. 22 - recognition and measurement of financial instruments. the difference between the fair value and book value at the date of loss of common control or significant influence shall be included in the profit and loss of the current period. Other comprehensive income recognized by the original equity investment due to the adoption of the equity method shall be accounted for on the same basis as the invested entity's direct disposal of the relevant assets or liabilities when terminating the application of the equity method.

Where the Company loses control of the invested entity due to the disposal of some equity investments, etc., and the residual equity after disposal can exercise joint control or exert significant influence on the invested entity when preparing individual financial statements, it shall be accounted for according to the equity method instead, and the residual equity shall be accounted for as if it had been acquired and adjusted according to the equity method. If the remaining equity after disposal cannot exercise joint control or exert significant influence on the invested entity, it shall be treated according to the relevant

provisions of accounting standards for enterprises No. 22 - recognition and measurement of financial instruments.

For the disposal of long-term equity investments, the difference between the book value and the actual purchase price shall be included in the profits and losses of the current period. For long-term equity investments that are accounted for by the equity method, when disposing of the investment, the same basis as that of the invested entity for directly disposing of the related assets or liabilities shall be adopted, and the portion originally included in other comprehensive income shall be accounted for according to the corresponding proportion.

(XV) Investment real estate

1. Initial measurement of investment real estate

The Investment real estate of the Company includes rented land use right, holding land use right which may be later transferred when its value adds and the rented buildings.

The company's initial measurement of the investment property will be accounted based on the cost. The cost of outsourcing investment real estate includes purchase price, relevant taxes and dues and other expenditure which directly belong to the assets. The cost of self-construction of investment real estate constitutes with the necessary expenses incurred before the construction of the asset reaches the intended serviceable condition.

2. Subsequent measurement of investment real estate

The Company uses the fair value model for the subsequent measurement of investment real estate.

(1) The basis for the fair value model for measurement

The Company should meet both of the following two conditions when measuring investment properties using the fair value model:

- ① There is an active trading market of real estate in the place where the Investment real estate locates;
- ② The Company is able to obtain the market prices and other relevant information of the identical or similar property from the trading market of property, so as to be able to estimate the fair value of the investment real estate.

At present, the Company's investment real estate projects are mainly located in XX core area of XX City, which are mainly commercial properties in mature commercial areas. There is a relatively active real estate trading market, and the market price and other relevant information of similar or similar real estate can be obtained. It is operable to use fair value for subsequent measurement of investment real estate.

(2) Principle of determining fair value

The Company adopts the following different valuation methods based on different property market transactions:

① When the Company's investment real estate itself has a transaction price, its fair value shall be determined on the basis of the transaction price or quotation provided by the Commercial Property Operation Department of the Company's investment real estate management department in the same period.

② When there is no transaction price of the Company's investment real estate itself, the Commercial Property Operation Department of the Company's investment real estate management department shall conduct market research and issue a market research report, and determine its fair value based on the valuation conclusion of the market research report. The Company employs an appraisal institution with relevant qualifications to evaluate the fair value of the Company's investment real estate by using the income method and referring to the open market price when necessary, and takes the evaluated amount as the fair value of the Company's investment real estate.

③ The Company shall acquire the market price and other relevant information of similar or similar real estate from the government real estate management department, authoritative organization or real estate intermediary service organization with relevant qualifications in the city where the investment real estate is located when make evaluation, so as to make a reasonable estimate of the fair value of the investment real estate.

④ Consult the transaction price of at least three similar comparable project properties in the market for investment real estate without transaction price, and make price correction based on the relevant factors affecting the value of the target property, and finally determine the fair value of the target property on this basis. When evaluating comparable projects, the company shall make a list of standard adjustment factors. The range adjustment coefficient shall be set based on the location of business circle, the convenience of transportation around, the degree of business prosperous, housing condition, equipment and decoration, trading time, trading methods, floor of the real estate, geographic location, humanistic value, the surrounding environment according to the category of investment real estate.

(3) When the Company estimates the fair value of investment real estate, the key assumptions and main uncertain factors used are:

- ① Assume that investment real estate would be traded on the open market and would continue to be used for its current purpose.
 - ② Macro-economic policy of the nation, local social and economic environment, tax policy, credit ratio and exchange ratio would not change dramatically.
 - ③ There would be no other force majeure or unpredictable factors that have great impact on the business operation.
- (4) End-of-term recognition and accounting procedures for the fair value of investment real estate:
- ① Initial recognition of fair value of investment real estate:

When properties, such as the self-built, purchased and self-used real estate, converted into investment real estate for the first time, if fair value is smaller than book value, the difference of book value and fair value shall be debited to profit and loss from fair value changes and if the fair value is larger than book value, this difference shall be credited to other comprehensive income.

- ② Subsequent measurement of the fair value of investment real estate after the date of conversion:

Investment real estate that are measured using the fair value model are not depreciated or amortized. The company estimates its fair value at the end of the period on the basis of individual investment real estate. When there is a significant change in the ending fair value of a single investment real estate, the book value of the real estate shall be adjusted based on the fair value of the single investment real estate at the balance sheet date. The difference between the fair value at the end of the period and the fair value at the beginning of the period of the single investment real estate shall be recorded in current profit and loss. At the same time, the impact of deferred tax assets or deferred tax liabilities shall be considered.

(XVI) Fixed assets

1. Recognition condition of fixed assets

The fixed assets refer to the tangible assets that are held for the purposes of commodity production, labor service rendering, lease and operation management, and have useful life of more than one year. The fixed assets are classified into the machinery equipment, transportation equipment, office and electronic equipment and lease improvement expenditures. The fixed assets are recognized when the following conditions are met: (1) The economic benefits related to such fixed assets are likely to flow into the Company; and (2) The costs of such fixed assets can be reliably measured.

2. Depreciation method

Depreciation of fixed assets shall be calculated and withdrawn by classification using the life average method, and the depreciation rate shall be determined according to the categories of fixed assets, estimated service life and estimated net salvage value rate. If the service life of each component of a fixed asset is different or economic benefits are provided for enterprises in different ways, different depreciation rates or methods are chosen to separately accrue depreciation.

Type	Depreciation period (year)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	20	5	4.75
machinery equipment	10-15	5	6.33-9.5
Transportation equipment	5	5	19
Electronic equipment	3-5	5	19-31.67
Other equipment	20	5	4.75

3. Identification basis and valuation method and depreciation method of financing lease-in fixed assets

If one of the following conditions is specified in the terms of the lease agreement signed between the company and the lessor, it is confirmed as a financing lease-in asset:

- (1) Ownership of the leased assets shall be vested in the company after the lease expires;
- (2) The company has the option to purchase the asset, and the purchase price is far lower than the fair value of the asset when the option is exercised.

(3) The lease term accounts for most of the service life of the leased assets;

(4) The present value of the minimum lease payment on the lease commencement date does not differ greatly from the fair value of the asset.

On the lease commencement date, the lower of the fair value of the leased asset and the present value of the minimum lease payment is taken as the recorded value of the leased asset, the minimum lease payment is taken as the recorded value of the long-term payables, and the difference is taken as the unrecognized financing fee.

Fixed assets leased by means of financial leasing can reasonably determine that they will acquire ownership of the leased assets when the lease term expires, and depreciation will be accrued within the useful life of the leased assets; If it cannot be reasonably determined that ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued for a shorter period of time between the lease term and the useful life of the leased asset.

(XVII) Construction in progress

The projects under construction shall be classified and accounted for according to the approved projects.

The project under construction shall be regarded as the recorded value of the fixed assets based on all expenditures incurred before the construction of the asset reaches its intended serviceable condition. If the fixed asset under construction has reached the intended serviceable condition but has not yet completed the final accounts, it will be transferred to the fixed asset according to the estimated value from the date of reaching the intended serviceable condition according to the project budget, cost or actual cost of the project, and the depreciation of the fixed asset will be accrued according to the company's fixed asset depreciation policy. Once the final accounts have been completed, the original estimated value will be adjusted according to the actual cost, but the depreciation amount originally accrued will not be adjusted.

(XVIII) Borrowing costs

1. Principles for confirming capitalization of borrowing costs

Borrowing costs, including interest on loans, amortization of discounts or premiums, ancillary costs, and exchange differences arising from foreign currency borrowings, etc.

Borrowing costs incurred by the company that can be directly attributed to the purchase, construction or production of assets that meet the capitalization conditions shall be capitalized and included in the relevant asset costs; Other borrowing costs are recognized as expenses based on the amount incurred when incurred and are included in the profits and losses of the current period.

Assets that meet the capitalization conditions refer to fixed assets, investment real estate, inventories and other assets that require a considerable amount of time for construction, construction or production activities to reach their intended usable or marketable status.

Capitalization of borrowing costs begins when the following conditions are met at the same time:

(1) asset expenditures include expenditures incurred in the form of cash payments, transfer of non-cash assets, or bearing interest-bearing debts for the purchase, construction, or production of assets that meet capitalization conditions;

(2) borrowing costs have occurred;

(3) The purchase, construction or production activities necessary for the asset to reach its intended usable or marketable status have already begun.

2. Period of capitalization of borrowing costs

Capitalization period refers to the period from the time when borrowing costs start capitalization to the time when they stop capitalization. the period during which borrowing costs are suspended from capitalization is not included.

When the purchase, construction or production of assets that meet the capitalization conditions reach the intended usable or marketable status, the capitalization of borrowing costs will cease.

When some of the projects in the purchase, construction or production of assets that meet the capitalization conditions are completed separately and can be used separately, the capitalization of the borrowing costs of the assets will be stopped.

If each part of the asset purchased, constructed or produced is completed separately, but cannot be used or sold to the outside until the entire asset is completed, capitalization of borrowing costs will be stopped when the entire asset is completed.

3. Period of suspension of capitalization of borrowing costs

If an abnormal interruption occurs in the purchase, construction or production of assets that meet the capitalization conditions and the interruption lasts for more than 3 months, the capitalization of borrowing costs will be suspended; If the interruption is a necessary procedure for the acquisition, construction or production of assets that meet the capitalization conditions to reach the intended serviceable condition or marketable condition, the borrowing costs will continue to be capitalized. Borrowing costs incurred during the interruption period are recognized as profits and losses of the current period, and will continue to be capitalized until the acquisition, construction or production activities of the assets are resumed.

4. Calculation method of capitalization amount of borrowing costs

For special loans borrowed for the construction or production of assets that meet the capitalization conditions, the capitalization amount of borrowing costs shall be determined by subtracting the amount of interest income earned from the deposit of unused borrowing funds in the bank or investment income earned from temporary investments from the actual borrowing costs incurred in the current period of special loans.

For general loans occupied for the purchase and construction or production of assets that meet the capitalization conditions, the amount of interest to be capitalized for general loans is calculated and determined based on the weighted average of the asset expenditures of the portion of the accumulated asset expenditures that exceeds the portion of the special loans multiplied by the capitalization rate of the general loans occupied. The capitalization rate is calculated and determined according to the weighted average interest rate of ordinary loans.

If there is a discount or premium on the loan, the amount of discount or premium that should be amortized for each accounting period shall be determined according to the effective interest rate method, and the amount of interest for each period shall be adjusted.

(XIX) Intangible assets

1. Valuation method of intangible assets

(1) When intangible assets are acquired, they are initially measured at cost.

The cost of purchased intangible assets includes the purchase price, related taxes and other expenses directly attributable to the intended use of the asset. If the purchase price of intangible assets exceeds normal credit conditions and is delayed in payment, it is essentially of a financing nature, and the cost of intangible assets is determined based on the present value of the purchase price.

The entry value of the intangible assets obtained by the debtor for debt repayment through debt restructuring includes the fair value of the abandoned creditor's rights and other costs directly attributable to the taxes and other costs incurred to make the assets reach the intended purpose;

On the premise that the exchange of non-monetary assets has commercial essence and the fair value of the exchanged assets or the exchanged assets can be measured reliably, intangible assets exchanged and exchanged by non-monetary assets are determined based on the fair value of the exchanged assets, unless there is conclusive evidence that the fair value of the exchanged assets is more reliable; If the exchange of non-monetary assets does not meet the above-mentioned premise, the book value of the assets exchanged and relevant taxes payable shall be taken as the cost of the intangible assets exchanged, and no profit or loss shall be recognized.

Intangible assets acquired by enterprises under the same control through absorption and consolidation shall be determined according to the book value of the merged party. Intangible assets acquired by enterprises under different control through absorption and consolidation are determined at fair value.

The cost of an intangible asset developed internally includes materials, labor costs, registration fees, amortization of other patents and concessions used in the development process, interest expenses that meet the capitalization conditions, and other direct expenses incurred before the intangible asset reaches its intended use.

(2) Subsequent measurement

Analyze and judge the service life of intangible assets when they are acquired.

Intangible assets with limited service life shall be amortized on a straight-line basis within the term that brings economic benefits to the enterprise. If it is impossible to predict the period when intangible assets bring economic benefits to enterprises, it shall be regarded as intangible assets with uncertain service life and shall not be amortized.

2. Service life estimation of intangible assets with limited service life

Item	Estimated service life	according to
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Item	Estimated service life	according to
Land use right	50 years	Number of years of land certificate
Right to transfer technology	20 years	The number of years the enterprise is expected to bring benefits
Software	10 years	Estimated service life
Item	Estimated service life	according to

At the end of each period, the service life and amortization method of intangible assets with limited service life shall be reviewed.

After review, the service life and amortization method of intangible assets at the end of this year are not different from previous estimates.

3. Service life review of the intangible assets with uncertain service life

At the end of each period, the service life of intangible assets with uncertain service life shall be reviewed:

After review, the service life of this kind of intangible assets is still uncertain.

After review, the service life of this kind of intangible assets is limited, and the estimated situation is as follows: Specific criteria for dividing the research phase and development phase of internal research and development projects

Expenditures for internal research and development projects are divided into research stage expenditures and development stage expenditures.

Research stage: the stage of original and planned investigation and research activities to acquire and understand new scientific or technological knowledge.

Development stage: the stage of applying research results or other knowledge to a plan or design to produce new or substantially improved materials, devices, products and other activities before commercial production or use.

4. Expenditures in the development phase meet the specific criteria for capitalization.

Expenditures during the development phase of internal research and development projects are recognized as intangible assets when the following conditions are met:

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold;
- (2) Having the intention of completing the intangible assets and using or selling them;
- (3) The ways in which intangible assets generate economic benefits include the ability to prove the existence of markets for products produced by using the intangible assets or the existence of markets for intangible assets themselves. intangible assets will be used internally and can prove their usefulness.
- (4) Having sufficient technical, financial and other resources to complete the development of the intangible asset and having the ability to use or sell the intangible asset;
- (5) Expenditures attributable to the development phase of the intangible asset can be measured reliably.

If the expenditures in the development stage do not meet the above conditions, they will be included in the profits and losses of the current period when incurred. Expenditures in the research phase are included in the profits and losses of the current period when incurred.

(XX) Impairment of long-term assets

Signs of impairment shall be judged in terms of long-term equity investment, investment real estate, fixed assets and project in process measured by means of cost model, biological assets measured by means of cost model and intangible assets determined by service life of oil and gas assets on every balance sheet date, as for the assets with signs of impairment, recoverable amount shall be estimated, if recoverable amount is lower than book value, book value of assets shall be written off to recoverable amount, corresponding impairment losses shall be confirmed by write-off amount and shall be reckoned in current profits and losses, and counting and drawing of impairment reserve shall be done at the same time.

The estimated recoverable amount is determined based on the higher between the net amount of its fair value minus disposal expenses and the present value expected future cash flows. The enterprise estimates its recoverable amount on the basis of individual assets, if it is difficult for an enterprise to estimate the recoverable amount of a single asset, the recoverable amount of the asset group is determined based on the asset group to which the asset belongs.

After the impairment loss of assets is confirmed, the depreciation or amortization expenses of the impaired assets will be

adjusted accordingly in the future period so that the book value of the adjusted assets will be systematically apportioned within the remaining service life of the intangible assets.

For intangible assets with uncertain service life, invisible assets that have not yet reached the state of use, and goodwill formed by the merger, an impairment test shall be conducted at the end of each period.

As for the impairment test of goodwill, the book value of goodwill resulting from business combination shall be allocated to relevant asset groups according to reasonable methods from the date of purchase. If it is difficult to allocate to the relevant asset group, allocate it to the relevant asset group combination. When the book value of goodwill is allocated to the relevant asset group or asset group combination, it is allocated according to the proportion of the fair value of each asset group or asset group combination to the total fair value of the relevant asset group or asset group combination. If the fair value cannot be measured reliably, it shall be apportioned according to the proportion of the book value of each asset group or asset group combination to the total book value of the relevant asset group or asset group combination.

When carrying out impairment tests on related asset groups or asset group combinations containing goodwill, if there are signs of impairment on asset groups or asset group combinations related to goodwill, first carry out impairment tests on asset groups or asset group combinations that do not contain goodwill, calculate the recoverable amount, and compare with the relevant book value to confirm the corresponding impairment loss. Then carry out an impairment test on the asset group or asset group combination containing goodwill, and compare the book value of these related asset groups or asset group combinations (including the book value portion of the assessed goodwill) with the recoverable amount. If the recoverable amount of the related asset group or asset group combination is lower than its book value, confirm the impairment loss of goodwill.

(XXI) Long - term deferred expenses

All expenses that have occurred but should be borne by the current period and subsequent periods with an allocation period of more than one year, including operating lease-in fixed assets improvement expenses, are amortized as long-term prepaid expenses according to the estimated benefit period. If the long-term deferred expense item cannot benefit the subsequent accounting period, the amortized value that has not been amortized will be transferred to the current profits and losses.

(XXII) Employee compensation

Employee remuneration refers to various forms of remuneration or compensation given to obtain services provided by employees or terminates labor relations. Employee remuneration includes short-term remuneration, welfare after leaving, dismissal welfare and other welfare of long-term employees.

1. Accounting treatment method of short-term remuneration

During accounting period when the company's employees provide services for the company, the actual short-term remuneration shall be confirmed as liabilities which are included into the current profits and losses or relevant asset costs.

2. Accounting treatment method of welfare after leaving

Post-employment benefit plans are classified as defined contribution plans and defined benefit plans.

In the fiscal period when the employee serves the company, the deposited amount calculated based on defined drawing plans will be confirmed as liabilities and included into current profits and losses or the relevant asset costs. According to the defined contribution plan, if it is expected that all payable amounts cannot be paid within 12 months after the relevant service annual reporting period provided by employees, the Company shall, referring to the appropriate discount rate, determined by market income rate of national debt matching the balance sheet date and defined benefit plan obligation duration and currency or that of corporate bonds of high quality on the active market, measure the employee compensation payable by the discount price of all deposit.

The Company shall give discounting to all of the defined benefit plans according to balance sheet date and national debt whose defined benefit plan obligation duration matches with currency sorts or market income rate of bonds of high-quality corporation in active markets, including the obligation that anticipate to pay within 12 months after annual reporting period of employees who provide services.

The deficit or surplus realized through deducting the fair value of defined benefit plan asset from the present value of defined benefit plan obligation is recognized as a net liability or net asset of defined benefit plan. In case of surplus of the defined benefit plan, the lower amount between the surplus and the asset upper limit of defined benefit plan is measured as a net asset of the defined benefit plan; Wherein, asset upper limit refers to the current value of economic benefits obtained by the Company from refunding from the defined benefit plan or reducing the deposited fund of defined benefit plan in the future.

At the end of the report period, reckon the service cost in employee compensation cost generated by defined benefit plans and defined benefit plans net indebtedness or interest net amount parts of net assets in current profits and losses or asset costs. Changes in net debt or net assets of defined benefit plans re-measured. Reckon in other comprehensive incomes, and cannot be switched back to profits and losses in the follow-up accounting period, but can be transferred within the scope of equities.

Under the defined benefit plan, acknowledge the previous service costs as period charges on the earlier date when revising the defined benefit plan and acknowledge relevant recombination expenses or dismissal welfare.

Settlement profits or losses shall be acknowledged when the enterprise settles accounts of defined benefit plan. The profit or loss is the difference between defined benefit plan obligation present value and settlement price acknowledged on the settlement date.

3. Accounting treatment method of termination welfare

Employee remuneration liabilities incurred by the demission welfare are confirmed on the earlier date between the following two ways and included into the current profits and losses:

(1) The Company cannot unilaterally withdraw dismiss welfare provided due to severing labor relations plan or proposed reductions;

(2) The Company confirms related costs or expenses which are involved of the recombination of dismissal welfare payments.

If the demission welfare is expected to be paid fully within 12 months after the end of the annual reporting period confirmed, it is applicable to the relevant regulations of short-term remuneration; if the demission welfare is expected to fail to be paid fully within 12 months after the end of the annual reporting period confirmed, it is applicable to the relevant regulations of other long-term employee's welfares.

4. Accounting treatment method of other long-term employee's welfares

If other long-term employee's welfares conform to the conditions of defined contribution plan, the accounting treatment shall be conducted in accordance with 2 above; Except the circumstances that comply with the conditions of defined contribution plan, in accordance with the relevant regulations of setting the benefit plan, confirm and measure the net liabilities or net assets of other long-term employee welfares. At the end of the reporting period, service cost, net liabilities or interest net amount of net assets of other long-term welfare and variably total net amounts generated by re-measurement of other long-term permanent welfare net liabilities or net assets shall be reckoned in current profits and losses or relevant asset cost.

(XXIII) Revenues

1. Recognition of incomes of selling commodities

Neither retained the right to continue management associated with ownership nor exercised effective control over the goods sold; The amount of income can be measured reliably; Relevant economic benefits are likely to flow into the enterprise. When the related costs that have occurred or will occur can be measured reliably, the realization of the sales revenue of the goods is confirmed.

The amount of revenue from sales of goods is determined according to the price of the contract or agreement received or receivable from the buyer, unless the price of the contract or agreement received or receivable is unfair; The contract or agreement price is collected in deferred mode substantially with financing nature, that in accordance with the fair value of receivable amount of contract or agreement price. The difference between the price stipulated in the contract or agreement and its fair value shall be amortized within the period of the contract or agreement employing the effective interest method and shall be included in the current profits and losses.

2. Recognition of income from providing labor services

If the results of the labor service transaction can be estimated reliably on the balance sheet date, the percentage of completion method shall be used to confirm the income from labor service provision. The progress of the completion of providing labor services shall be determined based on the the measurement of finished work.

If the results of the labor service transaction provided on the balance sheet date cannot be reliably estimated, the following situations shall be handled respectively:

(1) If the labor cost incurred is expected to be compensated, the income from providing labor shall be confirmed according to the amount of labor cost incurred, and the labor cost shall be carried forward according to the same amount.

(2) If the labor cost incurred is not expected to be compensated, the labor cost incurred shall be included in the profit and loss of the current period, and the income from providing labor service shall not be recognized.

3. Recognition of income from assignment of asset use rights

The economic benefits related to the transaction are likely to flow into the enterprise. when the amount of income can be measured reliably. Determine the amount of income from the assignment of the right to use assets under the following circumstances:

(1) The amount of interest income shall be calculated and determined according to the time when other people use the enterprise's monetary funds and the actual interest rate.

(2) The amount of royalty income shall be calculated and determined according to the charging time and method stipulated in the relevant contract or agreement.

4. Recognition of revenue from construction contracts

(1) The results of the construction contract can be estimated reliably.

On the balance sheet date, if the results of the construction contract can be estimated reliably, the contract income and expenses shall be confirmed according to the percentage of completion method. The completion percentage method refers to the method of confirming income and expenses according to the completion progress of the contract. The method used to ascertain the schedule of each contract project is the ratio of the actual accumulated occurred contract cost to the estimated total contract cost .

The results of the fixed cost contract can be reliably estimated based on:

- ① The total contract revenue can be measured reliably.
- ② The economic benefits related to the contract are likely to flow into the company.
- ③ The actual contract costs can be clearly distinguished and reliably measured.
- ④ The progress of completion of the contract and the costs still to be incurred to complete the contract can be reliably determined.

The results of the cost-plus contract can be estimated reliably based on:

- ① The economic benefits related to the contract are likely to flow into the company.
- ② The actual contract costs can be clearly distinguished and reliably measured.

If the expected total cost of a contract exceeds the total contract revenue, the expected loss on the contract formed is recognized as an impairment loss on the asset and charged to current profit or loss. When the contract is completed, the contract shall be resold at the same time to prepare for the expected loss.

(2) The result of the construction contract cannot be estimated reliably

If the result of the construction contract cannot be estimated reliably, the situation shall be handled separately:

- ① If the contract cost can be recovered, the contract income shall be confirmed according to the actual contract cost that can be recovered, and the contract cost shall be confirmed as the contract cost in the current period in which it occurs;
- ② If the contract cost cannot be recovered, it shall be immediately recognized as the contract cost and the contract income shall not be recognized.

5. Specific principles and method of revenue recognition and cost carry-over for company

Real Estate Industry

①Sales revenue of commercial housing: For the selling of commercial housing, contracts shall be signed by both buyers and sellers and shall be put on records of land department. The real estate development products have been completed and reached the expected usable state, and have passed the acceptance of relevant competent departments and gone through the filing procedures; When the buyer pays the agreed house purchase price (usually the down payment of the sales contract and the payment of the confirmed remaining house price) according to the payment terms of the sales contract and completes the physical handover procedures of the commercial house, the realization of the sales revenue shall be confirmed.

If the buyer receives the written delivery notice and fails to complete the physical handover procedures of the commercial house within the specified time without justified reasons, the realization of sales revenue shall be confirmed on

the next day after the end of the time limit specified in the written delivery notice.

The company will manage the price obtained from the pre-sale of commercial houses after obtaining the pre-sale license as the advance payment, and confirm the realization of sales revenue when handling the handover procedures after the completion and acceptance of commercial houses.

② Land sales revenue: The buyer and the seller have signed sales contract for sales of land; The land has been transferred to the buyer and the certificate of land delivery has been obtained; The realization of sales revenue is confirmed when the payment is received or the receipt voucher is obtained.

③ Property management Revenue: Revenue is confirmed when property services have been provided in accordance with the contract or agreement and the right to charge service fees has been obtained.

④ Rental property income: The realization of house rental income is confirmed according to the lease payment date and amount specified in the contract or agreement signed with the lessee. If the lease free period is agreed in the contract, the lease fee charged shall be apportioned according to the straight-line method and confirmed as rental income within the whole lease term without deducting the lease free period.

⑤ Income from settlement of agent built houses and projects: For settlement of agent built houses and projects, the completion degree of agent built houses and projects can be reliably determined after signing an irrevocable construction contract; The company shall calculate the proportion of the accumulated actual contract cost in the estimated total contract cost (or: the proportion of the completed contract workload in the estimated total contract workload or: the actually measured completion progress)

(XXIV) Government subsidy

Government subsidy refers to the company obtaining monetary or non-monetary assets from the government free of charge. It is divided into asset-related government subsidies and income-related government subsidies.

1. Judgment basis and accounting treatment method of government subsidy related to assets

The government subsidy obtained by the company for the purchase and construction of long-term assets or the formation of long-term assets in other ways shall be regarded as the government subsidy related to the assets.

Government subsidies related to assets, write-downs of the related assets or: are recognized as deferred revenue and are included in profit and loss in stages according to a reasonable and systematic method during the service life of the relevant assets. Government subsidies measured in nominal amount are directly included in the profits and losses of the current period.

If the relevant asset is sold, transferred, scrapped or damaged before the end of its service life, the undistributed balance of the relevant deferred revenue shall be transferred to the profit and loss of the current period of asset disposal.

2. Judgment basis and accounting treatment method of government subsidies related to income

Other government subsidies other than those related to assets obtained by the company shall be regarded as government subsidies related to income. The government subsidy related to income shall be handled under the following circumstances:

(1) Those used to compensate the company's related costs or losses in subsequent periods are recognized as deferred revenue, and are included in the profits and losses of the current period during the period when the related costs or losses are recognized or: offset the related costs.

(2) The related incomes shall be directly included in the current profits and losses or offset related costs if it is used to compensate for the related costs or losses of enterprises.

For government subsidies which contain both assets-related parts and income-related parts, distinguish different parts and conduct accounting treatment respectively. Those that are difficult to distinguish are generally classified as revenue-related government subsidies.

The government subsidies related to daily operating activities of this company shall be included in other revenues or offset related costs according to the economic business nature; Government subsidies unrelated to the company's daily activities are included in the non-operating income and expenditure.

3. Accounting treatment of subsidized loan as preferential policy

(1) The financial department appropriates the interest subsidy fund to the loan bank, and the loan bank provides the corresponding loan to the company at the politically-concessional loan interest rate, and the actually-borrowed amount shall be taken as the entry value of the loan, and relevant borrowing costs shall be calculated according to the loan capital and the

politically-concessional loan interest rate. Or: If the fair value of the loan is taken as the entry value of the loan and the borrowing costs is calculated by the effective interest method, the difference between the actual amount received and the fair value of the loan shall be confirmed as deferred income. The deferred income shall be amortized in the way of actual interest rate by the effective interest method and shall offset the relevant borrowing costs.

(2) In case of the government directly appropriating funds with interest subsidy, the company shall write down related borrowing costs with corresponding interest subsidy.

Government subsidy shall be confirmed and calculated according to the actually received amount. Only when there exists unambiguous evidence proving that the subsidy is allocated based on the fixed quota standard and unambiguous evidence proving that it can meet relevant conditions stipulated in financial support policies and is expected to receive such financial support fund, it can be confirmed and calculated as amount receivable.

If the confirmed government subsidy needs to be returned, the company shall conduct accounting treatment to the period of requiring return, namely to adjust book value of asset in the case of offsetting book value of relevant asset during initial confirmation. If there is the deferred income concerned, the book balance of the deferred income shall be offset against, but the excessive part shall be included in the current profits and losses; Under other circumstances, it shall be directly included in the current profits and losses.

(XXV) Deferred income tax assets and deferred income tax liabilities

The balance sheet liability method is used to recognize deferred income tax assets and deferred income tax liabilities for the differences between the book values of certain assets and liabilities and their tax basis, as well as temporary differences that are not recognized as assets and liabilities but can be determined according to the tax law between the book values of their tax basis projects and tax basis.

In general, all temporary differences are recognized as related deferred income tax. However, for deductible temporary differences, the relevant deferred income tax assets are confirmed to the extent that the taxable income amount that is likely to be used to offset deductible temporary differences is obtained. In addition, temporary differences related to the initial recognition of goodwill, as well as those related to the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor transactions that affect accounting profits and taxable income (or deductible losses) will not be recognized as deferred income tax assets or liabilities.

For deductible losses and tax credits that can be carried forward to future years, the corresponding deferred income tax assets are confirmed to the extent that the future taxable income amount that is likely to be used to offset deductible losses and tax credits is obtained.

Recognize deferred income tax liabilities arising from taxable temporary differences related to investments of subsidiaries, associates and joint ventures unless the company can control the timing of the reversal of the temporary differences and the temporary differences are likely not to be reversed in the foreseeable future. Deferred income tax assets are only recognized for deductible temporary differences related to investments of subsidiaries, affiliated enterprises and joint ventures when the temporary differences are likely to be reversed in the foreseeable future and the taxable income amount used to offset deductible temporary differences is likely to be obtained in the future. On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured according to the applicable tax rate in the period when the relevant assets are expected to be recovered or the relevant liabilities are paid off in accordance with the provisions of the tax law.

Except the current income tax and deferred income tax related to transactions and events directly included in other comprehensive income or shareholders' equity are included in other comprehensive income or shareholders' equity, as well as the book value of deferred income tax adjusted goodwill arising from business combination, the rest of the current income tax and deferred income tax expenses or income are included in the current profits and losses.

On the balance sheet date, the book value of deferred income tax assets is reviewed. if it is likely that sufficient taxable income amount will not be available in the future to offset the interest of deferred income tax assets, the book value of deferred income tax assets will be written down. When sufficient taxable income is likely to be obtained, the reduced amount will be reversed.

(XXVI) Lease

1. Operating lease accounting treatment

(1) The rental fees paid by the leased assets shall be allocated on a straight-line basis throughout the lease period without deduction of the rent-free period and shall be included in the current expenses. The initial direct expenses paid in connection with the lease transaction shall be included in the current expenses.

When the lessor of the asset bears the expenses related to the lease that should be borne, the part of the expenses shall be deducted from the total rent, and the rent expenses after deduction shall be shared during the lease period and included in the current expenses.

(2) The rental fee charged by the leased asset shall be allocated on a straight-line basis for the entire lease period without deducting the rent-free period, and shall be recognized as rental income. The initial direct expenses paid in connection with the lease transaction shall be included in the current expenses. If the amount is relatively large, it will be capitalized and included in the current period's income in stages based on the same basis as the lease income.

When the lessee undertakes the lease-related expenses that should be borne by the lessee, the part of the expenses shall be deducted from the total rental income and distributed within the lease term according to the rental expenses after deduction.

2. Financial leasing accounting treatment

(1) Financing lease-in assets: on the lease commencement date, the company takes the lower of the fair value of the lease assets and the present value of the minimum lease payment amount as the entry value of the lease-in assets, and takes the minimum lease payment amount as the entry value of the long-term payables, with the difference as the unrecognized financing expense.

The actual interest rate method is used to amortize the unrecognized financing expenses during the asset lease period and include them in the financial expenses. The initial direct expenses incurred by the company are included in the value of the leased-in assets.

(2) Financing lease-out assets: the company recognizes the difference between the sum of the outstanding balance and the present value of the receivable financing lease funds as unrealized financing income on the lease commencement date, and recognizes it as rental income within each period when rent is received in the future. The initial direct expenses incurred by the company in connection with the lease transaction are included in the initial measurement of the financial lease receivable and the amount of revenue recognized during the lease term is reduced.

(XXVII) Discontinuing operation

Discontinuing operation refers to constituent parts which meet one of the following conditions and can be separately distinguished, and such components have been disposed or classified as available-for-sale category:

1. Such constituent parts represent a kind of independent main business or a main separate operation region;
2. Such constituent parts are one part of a relevant plan proposed to dispose one independent main business or one independent main business region;
3. Such constituent parts are subsidiaries obtained specially for resale.

Refer to Note III (XIII) for accounting treatment to available-for-sale assets.

(XXVIII) Related party

One party controls and jointly controls the other party or exerts significant influence on the other party, and if two or more parties are controlled and jointly controlled by the same party, they constitute related parties. Related parties can be individuals or enterprises. An enterprise that is only under the control of the state but does not have other related party relationships does not constitute a related party.

Related parties of the company include, but are not limited to:

1. Parent company;
2. Subsidiary;
3. Other enterprises controlled by the same parent company;
4. Investors implementing joint control;
5. Investors exerting significant influence;
6. A joint venture, including its subsidiaries;
7. Affiliated enterprises, including subsidiaries of affiliated enterprises;
8. Individual major investors and their close family members;
9. Key management personnel of the company or its parent company and their close family members;

10. The company's major investors, key management personnel or other enterprises controlled and jointly controlled by family members who are closely related to the company.

(XXIX) Changes in accounting estimates for significant accounting policies

1. Significant accounting policy changes

The company's main accounting policies did not change during the reporting period.

2. Significant changes in accounting estimates

The company's major accounting estimates did not change during the reporting period.

V. Tax

(I) Major tax types and tax rates

The main taxes and tax rates applicable to the company during the reporting period are listed below:

Tax category	Tax basis	tax rate
VAT	The sales tax shall be calculated based on the income from sales of goods and taxable services calculated in accordance with the provisions of the tax law. after deducting the input tax allowed to be deducted in the current period, the difference shall be the value-added tax payable.	13%, 6%, 5%
Urban maintenance and construction tax	Turnover tax paid according to actual conditions	7%
Educational surtax	Turnover tax paid according to actual conditions	3%
Local educational surtax	Turnover tax paid according to actual conditions	2%
Property tax	Residual value or rental income after deducting 30 % from the original value of the property at one time	1.2% or 12%
Corporate income tax	Taxable income	25%

VI. Notes on major items in consolidated financial statements

The amount unit of the following notes (including the notes on the main items in the parent company's financial statements) is RMB yuan if not specifically indicated; Unless otherwise specified, the "Ending of Period" shall mean December 31, 2020, the "Beginning of Period" shall mean January 1, 2020, the "Current Period" shall mean the year of 2020, and the "Previous Period" shall mean the year of 2019.

(I) Monetary capital

Item	Closing balance	Beginning balance
Cash on hand	286,882.64	301,751.46
Bank deposit	1,170,812,719.39	1,416,967,647.69
Other monetary funds	3,458,681,103.11	2,428,091,159.71
Total	4,629,780,705.14	3,845,360,558.86
Including: The total amount of funds deposited overseas		
The amount of funds restricted to use because of mortgage, pledge or freezing.	1,257,089,598.19	937,743,468.94
Among them, the details of restricted monetary funds are as follows:		
Item	Closing balance	Beginning balance
Bank acceptance bill guarantee		
The fixed term deposits or certificates of deposit used to pledge loans	1,257,089,598.19	937,743,468.94
Total	1,257,089,598.19	937,743,468.94

(II) Notes receivable

1. Category Listing

Item	Closing balance	Beginning balance
Bank Acceptance Notes	25,007,000.00	10,000,000.00

(III) Accounts receivable

1. Classified disclosure

Type	Closing balance					Beginning balance				
	Book balance		Bad debt reserves		Book value	Book balance		Bad debt reserves		Book value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable with individually significant amounts and separately withdrawing for bad debts										
Accounts receivable with provision for bad debts according to combination										
Combination 1: Aging combination	169,544,978.12	91.27	23,546,095.00	13.89	145,998,883.12	343,809,396.73	84.13	25,013,732.98	7.28	318,795,663.75
Combination 2: risk-free portfolio	16,224,436.14	8.73			16,224,436.14	64,871,071.17	15.87			64,871,071.17
Combination subtotal	185,769,414.26	100.00	23,546,095.00	12.67	162,223,319.26	408,680,467.90	100.00	25,013,732.98	6.12	383,666,734.92
Accounts receivable for individually non-significant amount but separately withdrawing bad debt reserves										
Total	185,769,414.26	/	23,546,095.00	/	162,223,319.26	408,680,467.90	/	25,013,732.98	/	383,666,734.92

Other receivables withdrawing the bad debt reserves by aging analysis method in the portfolio

Item	Accounts receivable	Bad debt reserves	Withdrawal proportion (%)
Within 1 year (including 1 year)	11,212,284.39	112,122.82	1.00
1-2 years	478,860.87	23,943.06	5.00
2-3 years	22,856,880.20	2,285,688.03	10.00
3-4 years	103,991,592.57	20,798,318.51	20.00
4-5 years	2,343,021.25	1,171,510.63	50.00
More than 5 years	122,338.84	122,338.84	100.00
Total	141,004,978.12	24,513,921.89	/

2. Bad debt reserves withdrawn, recovered or reversed in the current period

The amount of bad debt provision recovered or reversed in the current period is RMB 499,811.09.

3. The account receivable situation of the top five among ending balance collected by the debtor

In the current period, the total amount of top five receivables of ending balance collected as per debtor is RMB 129,166,800.44, accounting for 69.53% of the total amount of ending balance of receivables. The total amount of ending balance of correspondingly withdrawn bad debt provision is RMB 23,017,573.94.

(IV) Advance payment

1. Advance payment by aging

Aging	Closing balance		Beginning balance	
	Amount	Proportion of total (%)	Amount	Proportion of total (%)
Within 1 year	199,163,131.00	56.52	164,668,472.99	62.04
1-2 years	15,310,431.72	4.35	49,092,471.94	18.49
2-3 years	96,692,550.49	27.44	49,587,904.91	18.68
More than 3 years	41,195,720.29	11.69	2,089,929.69	0.79
Total	352,361,833.50	100.00	265,438,779.53	100.00

2. Classification of the nature of prepayment

Nature of payment	Closing balance	Beginning balance
Construction project funds	304,332,519.59	217,847,983.27
Electricity supply project payment	45,577,334.00	36,125,112.93
Other - Preparation	2,451,979.91	11,465,683.33
Total	352,361,833.50	265,438,779.53

(V) Other receivables

1 Items listing

Item	Closing balance	Beginning balance
Interest receivable		
Dividend's receivable		
Other receivables	3,475,844,700.61	2,920,294,842.45
Total	3,475,844,700.61	2,920,294,842.45

2. Other receivables**(1) Classification and disclosure of other receivable**

Type	Closing balance					Beginning balance				
	Book balance		Bad debt reserves		Book value	Book balance		Bad debt reserves		Book value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables with large single amount and single provision for bad debts										
Accrual of bad debt reserve receivables by portfolio										
Combination 1: Aging combination	422,060,151.59	11.92	65,057,699.47	15.41	357,002,452.12	633,194,980.15	21.35	44,965,452.44	7.10	588,229,527.71
Combination 2: risk-free portfolio	3,118,842,248.49	88.08			3,118,842,248.49	2,332,065,314.74	76.65			2,332,065,314.74
Combination subtotal	3,540,902,400.08	100.00	65,057,699.47	1.84	3,475,844,700.61	2,965,260,294.89	100.00	44,965,452.44	1.52	2,920,294,842.45
Other receivables for individually non-significant amount but single withdrawing bad debt reserves										
Total	3,540,902,400.08	/	65,057,699.47	/	3,475,844,700.61	2,965,260,294.89	/	44,965,452.44	/	2,920,294,842.45

Other receivables withdrawing the bad debt reserves by account age analysis method in the portfolio

Aging	Closing balance		
	Other receivables	Bad debt reserves	Withdrawal proportion (%)
Within 1 year (including 1 year)	181,338,607.24	1,813,386.07	1.00
1-2 years	37,787,232.11	1,889,361.61	5.00
2-3 years	81,017,600.56	8,101,760.05	10.00
3-4 years	65,646,414.81	13,129,282.96	20.00
4-5 years	32,292,776.18	16,146,388.10	50.00
More than 5 years	23,977,520.69	23,977,520.68	100.00
Total	422,060,151.59	65,057,699.47	

(2) Bad debt reserves withdrawn, recovered or reversed in the current period

The amount of bad debt provision recovered or reversed in the current period is RMB 20,092,247.03.

(VI) Inventory**1. Classification of inventories**

Item	Closing balance			Beginning balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials	11,160,266.86		11,160,266.86	11,057,660.69		11,057,660.69
Low-value consumables	388,946.90		388,946.90	158,091.90		158,091.90
Inventory goods	1,630,642,311.59		1,630,642,311.59	1,580,702,513.02		1,580,702,513.02
Development cost	3,101,161,550.28		3,101,161,550.28	2,875,904,650.79		2,875,904,650.79
Total	4,743,353,075.63		4,743,353,075.63	4,467,822,916.40		4,467,822,916.40

(VII) Other current assets

Item	Closing balance	Beginning balance
VAT	56,602.86	103,384.59
Pawn loans/pledge loans		
Advance payment of urban maintenance and construction tax	3,130,996.51	2,372,607.36
Advance payment of education surcharges	2,434,942.07	1,879,476.34
Property tax	2,519,083.04	1,410,355.64
Advance payment of land use tax	7,710,313.22	24,633,517.06
Advance payment of land value increment tax	140,305,510.55	141,337,880.38
Corporate income tax	6,404,561.88	8,487,282.00
Other tax	1,090,657.19	
Total	163,652,667.32	180,224,503.37

(VIII) Granting loans and advances *

Item	Closing balance	Beginning balance
Granting loans and advances *		22,865,709.51

(IX) Available-for-sale financial assets**1. Available-for-sale financial assets**

Item	Closing balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Available-for-sale debt instrument:						
Available-for-sale equity instrument:	875,250,000.00		875,250,000.00	360,250,000.00		360,250,000.00
Measured at fair value						
Measured at cost	875,250,000.00		875,250,000.00	360,250,000.00		360,250,000.00
Other						
Total	875,250,000.00		875,250,000.00	360,250,000.00		360,250,000.00

2. Available-for-sale financial assets measured by the cost at the end of the period

Invested unit	Book balance				Impairment provision				Shareholding ratio in the invested unit (%)	Cash dividend in the current period
	Beginning Amount	Increased in the current period	Decrease in the current period	Closing Amount	Beginning Amount	Increased in the current period	Decrease in the current period	Closing Amount		
Jiangsu Meishi Medical Technology Co., Ltd.	40,000,000.00			40,000,000.00					1.74	
Jiangsu Meishi Medical Technology Co., Ltd. Taizhou Huansheng health industry investment center (limited partnership)	10,000,000.00			10,000,000.00					20.00	
Taizhou Ruijia enterprise management partnership (limited partnership)	248,750,000.00			248,750,000.00					19.90	
Jiangsu huachuang xinnuo pharmaceutical technology co., ltd.	1,500,000.00			1,500,000.00					7.50	
Taizhou Jianxin Venture Capital Co., Ltd.	50,000,000.00			50,000,000.00					20.00	
Jiangsu huachuang xinnuo pharmaceutical technology co., ltd.		25,000,000.00		25,000,000.00					0.93	
Taizhou Ruisheng Real Estate Co., Ltd		500,000,000.00		500,000,000.00					16.13	
Total	350,250,000.00	525,000,000.00		875,250,000.00						

(X) Long-term receivables**1. Long-term receivables**

Item	Closing balance			Beginning balance		
	Book balance	Bad debt reserves	Book value	Book balance	Bad debt reserves	Book value
Financial lease				486,186,866.90		486,186,866.90

(XI) Long - term equity investment**1. Details of long-term equity investments**

Item	Closing balance		Balance at the beginning of the year	
	Book balance	Impairment provision	Book balance	Impairment provision
Long - term equity investment	1,460,229,496.44		873,268,196.44	

Invested unit	Beginning balance (book value)	Increase and decrease in the current period								Ending balance (book value)	Ending balance of impairment reserves
		Additional investment	Negative investment	Profits and losses on investments confirmed by the equity method	Adjustments of other comprehensive incomes	Changes in other equities	Declared and distributed cash dividends or profits	Withdrawn impairment provision	Other		
Associated enterprises											
Huadian Taizhou Medical City new energy co., ltd.	4,036,969.65									4,036,969.65	
China energy saving and new energy Taizhou co., ltd.	10,463,826.79									10,463,826.79	
Taizhou Pharmaceutical High-tech Zone Huayin Financial Investment Co., Ltd.	858,767,400.00	586,961,300.00								1,445,728,700.00	
Total	873,268,196.44	586,961,300.00								1,460,229,496.44	

Note: Taizhou Pharmaceutical High-tech Zone Huayin Financial Investment Co., Ltd. contributes to the group's equity.

(XII) Investment real estate**1. Investment real estate using fair value measurement model**

Item	Houses and buildings	Total
1 Beginning balance	4,130,354,260.00	4,130,354,260.00
2 Change in the Current Period	625,280,530.00	625,280,530.00
Plus: Outsourcing		
Inventory\ Fixed assets\ Transfer of construction in progress	424,324,528.76	424,324,528.76
Business merger increase		
Less: Disposal		
Other transfer-out		
Fair value changes	146,480,976.34	146,480,976.34
Other transfer	54,475,024.90	54,475,024.90
3 Closing balance	4,755,634,790.00	4,755,634,790.00

(XIII) Fixed assets**1 Items listing**

Item	Closing balance	Beginning balance
Fixed assets	114,219,261.41	135,866,955.63
Fixed Assets Liquidation		
Total	114,219,261.41	135,866,955.63

2. Fixed assets**(1) Fixed assets situation**

Item	Houses and buildings	machinery equipment	Means of transport	Office equipment and others	Total
1 Original book value:					
1. Beginning balance	11,163,711.29	202,741,515.56	6,464,452.85	75,891,299.46	296,260,979.16
2. Amount increased in the current period	68,000.00	5,896,856.06	127,926.80	5,076,223.74	11,169,006.60
(1)Purchase	-	1,427,142.24	101,227.77	2,883,693.19	4,412,063.20
(2)Transfer of construction in progress					
(3)Business merger increase	68,000.00	4,469,713.82	26,699.03	2,192,530.55	6,756,943.40
3. Amount decreased in the current period	-	5,713,677.15	495,433.50	445,542.17	6,654,652.82
(1)Disposal or scrap	-	5,713,677.15	495,433.50	445,542.17	6,654,652.82
4. Closing balance	11,231,711.29	202,924,694.47	6,096,946.15	80,521,981.03	300,775,332.94
II Accumulated depreciation					
1. Beginning balance	2,761,244.48	96,027,160.04	5,555,805.12	56,049,813.89	160,394,023.53
2. Amount increased in the current period	2,693,213.81	15,125,848.48	182,795.83	9,376,163.07	27,378,021.19
(1)Withdrawal	2,693,213.81	15,125,848.48	182,795.83	9,376,163.07	27,378,021.19
3. Amount decreased in the current period	-	394,563.96	429,542.25	391,866.98	1,215,973.19
(1)Disposal or scrap	-	394,563.96	429,542.25	391,866.98	1,215,973.19
4. Closing balance	5,454,458.29	110,758,444.56	5,309,058.70	65,034,109.98	186,556,071.53
III Impairment provision					
1. Beginning balance					

Item	Houses and buildings	machinery equipment	Means of transport	Office equipment and others	Total
2. Amount increased in the current period					
(1)Withdrawal					
3. Amount decreased in the current period					
(1)Disposal or scrap					
4. Closing balance					
IV Book value					
1. Ending book value	5,777,253.00	92,166,249.91	787,887.45	15,487,871.05	114,219,261.41
2. Beginning book value	8,402,466.81	106,714,355.52	908,647.73	19,841,485.57	135,866,955.63

(XIV) Construction in progress**1 Items listing**

Item	Closing balance	Beginning balance
Construction in progress	284,316,132.16	262,796,193.55
Engineering materials	100,000.00	100,000.00
Total	284,416,132.16	262,896,193.55

2. Construction in progress**(1) Construction in progress**

Item	Closing balance			Beginning balance		
	Book balance	Impairment provision	Net book value	Book balance	Impairment provision	Net book value
Reinforcement and renovation project of B4 building of vaccine engineering center	41,325,019.69		41,325,019.69	38,921,003.01		38,921,003.01
Renovation of science and technology building	74,513,068.62		74,513,068.62	74,513,068.62		74,513,068.62
Phase I renovation of new drug discovery base	12,224,053.99		12,224,053.99	12,224,053.99		12,224,053.99
Phase II renovation of new drug discovery base	69,833,945.86		69,833,945.86	69,903,838.04		69,903,838.04
Phase III renovation of vaccine engineering center of China Medical city	16,826,724.29		16,826,724.29	15,249,098.94		15,249,098.94
Tianhong-cold chain equipment.	1,977,544.14		1,977,544.14	586,654.49		586,654.49
Guozhong logistics park	51,398,476.46		51,398,476.46	51,398,476.46		51,398,476.46
Phase V construction and installation of courtyard pipe network in energy station	458,715.60		458,715.60			
Youth Apartments	4,979,157.82		4,979,157.82			
Renovation of plant purification workshop	10,779,425.69		10,779,425.69			
Total	284,316,132.16		284,316,132.16	262,796,193.55		262,796,193.55

(2) Changes in current period of important projects under construction

Project name	Budget	Beginning balance	Amount increased in the current period	Investment real estate amount transferred in the current period	Other amount decreased in the current period	Closing balance	Proportion of accumulated project input in the budget (%)	Project progress (%)	Accumulated amount of interest capitalization	Wherein: Amount of interest capitalization in the current period	Rate of interest capitalization in the current period	Source of funds
Phase V construction and installation of courtyard pipe network in energy station			458,715.60			458,715.60						
Youth Apartments			4,979,157.82			4,979,157.82						
Renovation of plant purification workshop			10,779,425.69			10,779,425.69						
Total			16,217,299.11		-	16,217,299.11	/	/				

2. Engineering materials

Item	Closing balance	Beginning balance
Tools and equipments	100,000.00	100,000.00

(XV) Intangible assets**1. Intangible assets**

Item	Software	Land use right	Total
I. Original book value			
1. Beginning balance	2,660,557.72	38,832,411.17	41,492,968.89
2. Amount increased in the current period	346,638.58		346,638.58
(1) Purchase	346,638.58		346,638.58
(2) Internal R&D			
(3) Business merger increase			
3. Amount decreased in the current period			
(1) Disposal			
4. Closing balance	3,007,196.30	38,832,411.17	41,839,607.47
II. Accumulated amortization			
1. Beginning balance	1,382,042.63	7,484,501.16	8,866,543.79
2. Amount increased in the current period	922,040.93	940,363.94	1,862,404.87
(1) Withdrawal	922,040.93	940,363.94	1,862,404.87
3. Amount decreased in the current period	628570.66		628570.66
(1) Disposal	628570.66		628570.66
4. Closing balance	1,675,512.90	8,424,865.10	10,100,378.00
III Impairment provision			
1. Beginning balance			
2. Amount increased in the current period			
(1) Withdrawal			
3. Amount decreased in the current period			
(1) Disposal			
4. Closing balance			
IV Book value			
1. Ending book value	1,331,683.40	30,407,546.07	31,739,229.47
2. Beginning book value	1,278,515.09	31,347,910.01	32,626,425.10

(XVI) Goodwill**1. Original book value of goodwill**

Name of the investee or the items forming goodwill	Beginning balance	Increased in the current period The investment formed by the business merger:	Decrease in the current period Disposal	Closing balance
Taizhou Pacific Construction Co., Ltd.	4,567,702.93			4,567,702.93
Taizhou Shu World Property Management Co., Ltd.	41,838,485.19			41,838,485.19
Taizhou Medical City Property Management Co., Ltd.	32,091,414.94			32,091,414.94
Taizhou Hwayi Catering Service Co., Ltd.	9,966.81			9,966.81
Taizhou Huaxin Business Management Co., Ltd.	7,858,696.74			7,858,696.74

Name of the investee or the items forming goodwill	Beginning balance	Increased in the current period	Decrease in the current period	Closing balance
		The investment formed by the business merger:	Disposal	
Taizhou Huaguan Catering Management Co., Ltd.	11,779,313.18			11,779,313.18
Taizhou Qianfu Trade Co., Ltd.	7,598,025.17			7,598,025.17
Taizhou Huaxuan Hotel Management Co., Ltd.	1,577,401.36			1,577,401.36
Taizhou Hualimei Fitness Management Co., Ltd.	1,434,509.38			1,434,509.38
Taizhou Huaxiang Hotel Management Co., Ltd.	8,729,019.03			8,729,019.03
Taizhou Huayao Hotel Management Co.	1,217,735.26			1,217,735.26
Taizhou Huaxu Apartment Management Co.	704,231.11			704,231.11
Jiangsu Xinzhiyuan Medical Technology Co., Ltd.		65,005,193.74		65,005,193.74
Total	119,406,501.10	65,005,193.74		184,411,694.84

(XVII) Long - term deferred and prepaid expenses

Item	Beginning balance	Amount increased in the current period	Amortization amount in the current period	Other decreased amount	Closing balance
Decoration fee	12,968,803.53	12,915,282.09	8,787,149.54		17,096,936.08

(XVIII) Deferred income tax assets, deferred income tax liabilities**1. Deferred income tax asset without offset**

Item	Closing balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Asset impairment reserve	89,571,621.36	22,392,905.38	70,062,773.80	17,515,693.45

2. Deferred income tax liabilities without offset

Item	Closing balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Change in fair value of investment real estate	1,103,969,041.32	275,992,260.33	957,488,064.96	239,372,016.24

(XIX) Short-term borrowings**1. Classification of short-term borrowings**

Item	Closing balance	Beginning balance
Pledged loan	418,340,000.00	776,159,796.02
Mortgage loan	120,000,000.00	320,000,000.00
Guaranteed loan	2,343,533,450.00	1,470,800,000.00
Credit loan	356,245,000.00	348,810,000.00
Total	3,238,118,450.00	2,915,769,796.02

(XX) Notes payable**1. List of notes payable**

Type	Closing balance	Beginning balance
Bank acceptance bill	2,027,000,000.00	1,113,500,000.00

(XXI) Accounts payable

1. List of accounts payable

Item	Closing balance	Beginning balance
Within 1 year	98,181,338.64	481,360,775.76
1-2 years	43,838,472.04	96,430,018.82
2-3 years	51,579,043.23	125,877,594.04
More than 3 years	13,847,710.37	2,386,035.75
Total	207,446,564.28	706,054,424.37

2. Important accounts payable with the aging over one year

Item	Closing balance	Reason for outstanding or not carried forward
Jiangsu Enkai Biotechnology Co., Ltd.	40,312,500.00	Project funds
Tailing pharmaceutical Jiangsu Co., Ltd.	3,314,360.00	Project funds
Tailing biopharmaceutical Jiangsu Co., Ltd.	3,000,000.00	Project funds
Jiangsu Jiangdu Construction Group Co., Ltd.	2,008,295.03	Project funds
China Jiangsu International Economic and technological Cooperation Group Co., Ltd.	1,626,822.65	Project funds
Total	50,261,977.68	

(XXII) Advance receipts**1. List of advance receipts**

Item	Closing balance	Beginning balance
Within 1 year	181,209,802.80	1,243,985,063.38
1-2 years	1,121,940,019.27	799,344,945.80
2-3 years	765,127,983.04	
More than 3 years	7,900,000.00	
Total	2,076,177,805.11	2,043,330,009.18

2. Important advance receipt with account age more than 1 year

Item	Closing balance	Reason for outstanding or not carried forward
Zhang Yanyan 19-108	4,510,448.00	The houses are not delivered
Zhou Qun, Li Chunzhi 18-108	4,494,451.00	The houses are not delivered
Sun Junbo, Bian Chi 14-109	4,449,383.00	The houses are not delivered
He Yuanlong, Chen Liang, Liu Suping 14-105	4,425,096.00	The houses are not delivered
Total	17,879,378.00	

(XXIII) Payroll payable**1. List of payroll payable**

Item	Beginning balance	Increased in the current period	Decrease in the current period	Closing balance
I. short-term remuneration	4,024,943.63	102,823,634.27	96,687,641.24	10,160,936.66
II. Post-demission welfare - defined contribution plan	219,336.84	3,549,906.78	3,577,517.91	191,725.71
III. Demission welfare		26933.34	26933.34	
IV. Other benefits due within one year				
Total	4,244,280.47	106,400,474.39	100,292,092.49	10,352,662.37

2. List of short-term remuneration

Item	Beginning balance	Increased in the current period	Decrease in the current period	Closing balance
I. Salaries, bonuses, allowances and subsidies	3,000,723.11	91,616,646.83	85,442,932.80	9,174,437.14
II. Employee services and benefits	739,811.55	2,002,668.11	2,098,478.88	644,000.78
III. Social insurance premiums	200,093.93	3,181,298.19	3,197,247.55	184,144.57
Wherein: Medical insurance expense	188,296.18	1,804,546.54	1,814,289.48	178,553.24
Industrial injury insurance expenses	6,449.33	690,464.75	693,519.45	3,394.63
Birth insurance expenses	5,348.42	686,286.90	689,438.62	2,196.70
IV. Housing provident fund	48,336.00	5,175,506.50	5,135,366.50	88,476.00
V. Labor union expenses and employees' educational funds	35,979.04	847,514.64	813,615.51	69,878.17
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
Total	4,024,943.631	102,823,634.27	96,687,641.24	10,160,936.66

3. Situations about defined contribution plan

Item	Beginning balance	Increased in the current period	Decrease in the current period	Closing balance
1. Basic endowment insurance	208,643.26	2,806,423.10	2,830,925.87	184,140.49
2. Unemployment insurance premium	10,693.58	743,483.68	746,592.04	7,585.22
3. Enterprise annuity				
Total	219,336.84	3,549,906.78	3,577,517.91	191,725.71

(XXIV) Taxes and dues payable

Item	Closing balance	Beginning balance
VAT	-138,466,012.29	-100,290,770.73
Corporate income tax	223,284,099.73	150,899,982.53
Personal Income Tax	73,738.45	131,677.24
Urban maintenance and construction tax	35,591.48	
Education surcharges	35,561.05	
Property tax	1,480,169.92	
Payment of land use tax	368,525.00	
Other tax	4,212.71	
Total	86,815,886.05	50,740,889.04

(XXV) Other payables**1 Items listing**

Item	Closing balance	Beginning balance
Interest payable		
Dividends payable		
Other payables	351,701,392.86	442,217,438.05
Total	351,701,392.86	442,217,438.05

2. Other payables**(1) Other payables by the nature of the funds**

Item	Closing balance	Beginning balance
Capital inter-bank lending	134,383,014.89	366,217,438.05

Item	Closing balance	Beginning balance
Security fund	78,318,377.97	50,000,000.00
Equity transfer fund	139,000,000.00	26,000,000.00
Total	351,701,392.86	442,217,438.05

(2) Other important payables with account age over 1 year

Item	Closing balance	Reason for outstanding or carry-over
Jiangsu Dadu Construction Engineering Co., Ltd.	50,000,000.00	Security fund
Taizhou Xintai Group Co., Ltd.	22,000,000.00	Loan demolition
Taizhou Pharmaceutical Science and Technology Achievement Transformation Service Center	15,000,000.00	Equity transfer fund
Total	87,000,000.00	

(XXVI) Non-current liabilities due within one year

Item	Closing balance	Beginning balance
Long-term borrowings due within one year	975,254,673.82	850,000,000.00

(XXVII) Other current liabilities

Item	Closing balance	Beginning balance
Deferred expenses	191,822.74	
Total	191,822.74	

(XXVIII) Long-term borrowings**1. Classification of Long-term borrowings**

Item	Closing balance	Beginning balance
Pledged loan	49,900,000.00	
Mortgage loan	1,000,000,000.00	1,442,500,000.00
Guaranteed loan	1,431,083,656.83	1,298,868,672.00
Credit loan	300,000,000.00	1,800,000,000.00
Total	2,780,983,656.83	4,541,368,672.00

(XXIX) Bonds payable

Item	Closing balance	Beginning balance
Corporate bonds	2,898,000,000.00	
Total	2,898,000,000.00	

(XXX) Long-term payables**1. listing**

Item	Closing balance	Beginning balance
Long-term payables		
Special payables	13,294,345.98	12,518,004.68
Total	13,294,345.98	12,518,004.68

2. List of special payables by nature of the payment

Item	Beginning balance	Increased in the current period	Decrease in the current period	Closing balance	Causes of formation
Special guiding fund for building energy conservation in 2013	2,580,000.00	3,300,000.00	1,570,000.00	4,310,000.00	

Item	Beginning balance	Increased in the current period	Decrease in the current period	Closing balance	Causes of formation
2015 two-wheel drive strategic funds	500,000.00		500,000.00		
Guiding funds for energy conservation and emission reduction	1,200,000.00		1,115,149.02	84,850.98	
Park recycling project renovation funds	1,000,000.00			1,000,000.00	
Park management Committee finance bureau dial in	1,384,642.98		885,147.98	499,495.00	
China Medical city's first batch of "113 talents plan"	1,000,000.00			1,000,000.00	
Special support funds for industrial economic transformation and upgrading in 2016	200,000.00		200,000.00		
Subsidy funds for provincial park recycling transformation demonstration sites in 2015	1,000,000.00			1,000,000.00	
Science and technology department 2017 province innovation ability construction special fund	1,000,000.00			1,000,000.00	
Provincial characteristic town	2,100,000.00	2,000,000.00		4,100,000.00	
Taizhou urban cultural Industry development special fund for 2018	100,000.00		100,000.00		
Funds for small and medium-sized Enterprise Development Project in 2017	435,000.00		435,000.00		
Film Special Fund	18,361.70	15,837.43	34,199.13		
Provincial science and technology entrepreneurship incubation program funds in 2019		300,000.00		300,000.00	
Total	12,518,004.68	5,615,837.43	4,839,496.13	13,294,345.98	

(XXXI) Estimated liabilities**1. Statement of estimated liabilities**

Item	Beginning balance	Closing balance	Causes of formation
Product quality assurance		210,000.00	Quality after sales
Total		210,000.00	

(XXXII) Paid-in capital (or share capital)**1. Paid-in capital (or share capital)**

Name of Shareholder	Beginning balance	Increase and decrease in the current period (+, -)					Closing balance
		Capital increase	Profit to capital	Fund to increase capital	Other	Subtotal	
Taizhou Medical High-tech Industrial Development Zone Management Committee	2,716,102,500.00						2,716,102,500.00

(XXXIII) Capital reserves**1. Details of changes in capital reserve**

Item	Beginning balance	Increased in the current period	Decrease in the current period	Closing balance
Capital premium (share capital premium)	1,099,563,000.09	1,302,251,046.48		2,401,814,046.57
Other capital reserves	1,850,118.12			1,850,118.12
Total	1,101,413,118.21	1,302,251,046.48		2,403,664,164.69

(XXXIV) Other comprehensive incomes

1. Other comprehensive incomes details

Item	Beginning balance	Amount incurred in current period						Closing balance
		Pre-tax income of current period	Less: Current transfer-in profits and losses included into other comprehensive incomes in the prior period	Less: Current transfer-in retained earnings included into other comprehensive incomes in the prior period	Less: Income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive incomes cannot be reclassified into profits or losses								
Including: Recalculate the amount of defined benefit plan changes								
II. Other comprehensive incomes cannot be transferred to profits or losses under the equity method								
II. Other comprehensive incomes to be reclassified into profits and losses								
Wherein: II. Other comprehensive incomes to be transferred to profits or losses under the equity method								
Profits and losses from changes in fair values of available-for-sale financial assets								
Profit or loss of available-for-sale financial assets of held-to-maturity investments								
Effective part of cash-flow hedge profit and loss								
Translation difference of the foreign-currency statements								
Other	16,640,276.31							16,640,276.31
Total of other comprehensive incomes	16,640,276.31							16,640,276.31

(XXXV) Undistributed profits

Item	Current period	Previous period
Profits undistributed of the end of previous period before adjustment	1,154,003,436.35	1,054,625,302.03
Total adjustment number of undistributed profit at the beginning of the period (increased +, decreased -)		
Beginning undistributed profits after the adjustment	1,154,003,436.35	1,054,625,302.03
Plus: Net profits attributable to the owner of the parent company	62,325,351.92	99,378,134.32
Less: Withdrawal of statutory surplus reserve	3,758,624.03	-
Withdrawal of arbitrary surplus		
Extraction of general risk reserve		
Dividends payable to investors		
Investor dividends transferred to capital (or equity)		
Undistributed profits at the end of the period	1,212,570,164.24	1,154,003,436.35

(XXXVI) Operating Income and Operating Cost**1. Operating Income and Operating Cost**

Item	Amount incurred in current period		Amount incurred in previous period	
	Operating incomes	Operating Cost	Operating incomes	Operating Cost
Main business	1,032,833,993.02	842,573,582.42	974,427,969.90	810,123,293.74
Other business	78,946,991.19	35,408,136.63	54,595,716.84	39,587,007.48
Total	1,111,780,984.21	877,981,719.05	1,029,023,686.74	849,710,301.22

Details of operating income and operating cost (by product)

Product Name		Operating incomes		Operating Cost	
		Amount	Proportion (%)	Amount	Proportion (%)
Income from the sale of other commodities	1. Real estate sales income	320,703,636.41	28.84	273,805,695.25	31.19
	2. Income from the sale of other commodities	332,702,967.88	29.92	328,845,161.88	37.45
Incomes of property management and hotel operating	1. Incomes of property management	70,274,417.60	6.32	50,602,333.57	5.76
	2. Hotel service income	25,981,050.16	2.34	11,616,000.88	1.32
Rental income	1. rental of property	46,460,017.16	4.18		
	2. rental of equipment	811,920.45	0.07		
Income from agent construction business		146,163,219.16	13.15	125,634,941.33	14.31
Security service incomes		52,089,669.22	4.68	42,390,381.61	4.83
Medical income		32,800,966.41	2.95	9,679,067.90	1.10
Income from financial services		4,846,128.57	0.44		
Other income business	1. Technical Services	16,227,529.54	1.46		
	2. Advertising production	2,967,189.90	0.27	3,397,294.11	0.39
	3. Equipment installation fee, energy fee	37,907,976.73	3.41	16,954,542.27	1.93
	4. Swimming service	97,455.88	0.01	67,935.65	0.01
	5. Exhibition, conference fees	1,869,511.44	0.17	5,152,757.99	0.59
	6. Catering	11,858,385.63	1.07	8,663,293.62	0.99
	7. Other	8,018,942.07	0.72	1,172,312.99	0.13
Total		1,111,780,984.21	100.00	877,981,719.05	100.00

(XXXVII) Taxes and surcharges

Item	Amount incurred in current period	Amount incurred in previous period
Land value increment tax		270,490.91
Land use tax	3,090,932.60	3,853,552.91
Urban maintenance and construction tax	1,828,289.28	561,974.98
Education surcharges	1,307,421.21	285,956.36
Property tax	7,143,198.69	6,605,675.75
Vehicle and vessel tax	660.00	
Stamp duty	62,501.62	
Total	13,433,003.40	11,577,650.91

(XXXVIII) Cost of sales

Item	Amount incurred in current period	Amount incurred in previous period
Employee compensation	3,136,943.23	1,247,586.90
Depreciation and amortization expenses	3,430,871.60	31,135.90
Agency fees	3,804,559.19	1,940,000.00
Promotion fee	2,950,020.36	4,280,001.79
Service fee	6,135,443.37	389,012.98
Maintenance and insurance expenses	514,008.57	
Material consumption	320,601.67	
Rental fee	271,817.04	
Transportation and travel expenses	309,250.35	49,532.80
Office expenses	816,975.88	2,062.25
Other	573,216.04	180,629.97
Total	22,263,707.30	8,119,962.59

(XXXIX) Administrative expenses**(XL)**

Item	Amount incurred in current period	Amount incurred in previous period
Employee compensation	62,679,465.96	67,890,406.79
Depreciation and amortization expenses	38,146,325.40	44,561,459.87
Property utilities and energy consumption	63,872,895.31	51,305,970.31
Service charges	29,463,881.95	6,256,147.51
Maintenance and insurance	13,464,478.32	8,537,976.13
Office expenses	4,832,892.58	3,528,550.13
Rental expenses	2,266,805.20	350,697.60
Transportation and travel expenses	455,221.49	655,136.71
Business Hospitality	142,063.58	205,867.77
Other	742,322.88	478,825.23
Total	216,066,352.67	183,771,038.05

(XL) R&D expenses

Item	Amount incurred in current period	Amount incurred in previous period
Employee Compensation	304,011.80	
Travel expenses	11,914.27	
Material fuel and power	649,800.95	
Consulting fees	249,406.00	

Design fees	2,424.78	
Service Fee	197,769.89	

Item	Amount incurred in current period	Amount incurred in previous period
Depreciation	50,690.88	
Car Costs	303.00	
Repair costs	31,153.49	
Total	1,497,475.06	

(XLI) Financial expenses

Item	Amount incurred in current period	Amount incurred in previous period
Interest expenses	30,588,568.42	34,005,911.51
Less: Interest incomes	6,975,109.97	16,199,289.29
Net interest expense	23,823,179.17	17,806,622.22
Exchange losses		5,235,019.93
Less: exchange profit	20,096,141.34	2,977.53
Service fee expense	-812,013.16	727,626.84
Total	2,705,303.95	23,766,291.46

(XLII) Incomes of investment

Item	Amount incurred in current period	Amount incurred in previous period
Investment income from the disposal of long-term equity investments	-26,124,767.99	54,217,717.22

(XLIII) Fair value changes income

Source of income from changes in fair value	Amount incurred in current period	Amount incurred in previous period
Financial assets measured at fair value and whose changes are recorded into current profits and losses		
Investment real estate using fair value measurement	146,480,976.34	82,149,548.35

(XLIV) Asset impairment losses

Item	Amount incurred in current period	Amount incurred in previous period
I. Bad debt loss	-19,592,435.94	-17,003,176.56

(XLV) Income from asset disposal

Sources of income from asset disposal	Amount incurred in current period	Amount incurred in previous period
Income from disposal of fixed assets	-52,571.39	
Total	-52,571.39	

(XLVI) Non-operating incomes

Item	Amount incurred in current period	Amount incurred in previous period	Amount included in the current non-recurring profits and losses
Government subsidies unrelated to the daily activities of enterprises	69,910,094.06	77,732,991.23	69,910,094.06
Acquisition of enterprises not under the same control	0.00	9,697,232.65	0.00
Profit from disposal of fixed assets	50,092.50		50,092.50

Item	Amount incurred in current period	Amount incurred in previous period	Amount included in the current non-recurring profits and losses
Other	4,882,674.16	849,968.11	4,878,896.31
Total	74,842,860.72	88,280,191.99	74,839,082.87

(XLVII) Non-operating expenses

Item	Amount incurred in current period	Amount incurred in previous period	Amount included in the current non-recurring profits and losses
Amercement outlay	27,650.00	900.00	27,650.00
Compensation and liquidated damages	660,883.50	1,132,600.00	660,883.50
Late Payment Fee	777.79	153,771.11	777.79
External Donation Expenses	369,382.00		369,382.00
Other	92,264.59	5,687.65	92,264.59
Total	1,150,957.88	1,292,958.76	1,150,957.88

(XLVIII) Income tax expenses**1. List of income tax expenses**

Item	Amount incurred in current period	Amount incurred in previous period
Current income tax expenses	55,213,540.64	29,580,793.65
Changes in deferred income tax charges	31,739,254.31	21,475,803.80
Total	86,952,794.95	51,056,597.45

2. Accounting profit and adjustment process of income tax expense

Item	Amount incurred in current period
Total profits	151,788,821.78
Income tax expenses calculated at statutory/applicable tax rate	37,947,205.45
Impact of subsidiaries applying to different tax rates	
Impact of income tax before the adjustment	
Impact of non-taxable revenue	
Impact of non-deductible costs, expenses and losses	49,005,589.50
Impact of use of the deductible loss in unrecognized deferred income tax assets in the prior period	
Impact of deductible temporary difference or deductible loss in unrecognized deferred income tax assets in the current period	
Income tax expenses	86,952,794.95

(XLIX) Supplementary information to statement of cash flow**1. Supplementary data sheet of cash flow statement**

Supplementary information	Amount in the current period	Amount in previous period
1. Adjust net profit to cash flow of operating activities:		
Net profits	64,836,026.83	107,492,947.90
Plus: asset impairment provision	19,592,435.94	17,003,176.56
Depreciation of fixed assets, oil and gas assets and productive biological assets	27,378,021.19	33,423,853.25
Amortization of intangible assets	1,862,404.87	3,160,102.93
Amortization of long-term deferred expenses	8,787,149.54	5,281,135.89
Loss on disposal of fixed assets, intangible assets and other long-term assets (or income is expressed by "-")	52,571.39	
Loss from on retirement of fixed assets (or income is expressed by "-")		

Supplementary information	Amount in the current period	Amount in previous period
"-")		
Loss from change in fair value (or income is expressed by "-")	-146,480,976.34	-82,149,548.35
Financial expenses (or income is expressed by "-")	30,588,568.42	34,005,911.51
Investment loss (or income is expressed by "-")	26,124,767.99	-54,217,717.22
Decrease in deferred tax assets (or increase is expressed by "-")	-4,877,211.93	938,416.71
Increase in deferred tax liabilities (or decrease is expressed by "-")	36,620,244.09	20,537,387.09
Inventory decrease (or increase is expressed by "-")	-275,530,159.23	-716,646,683.66
Decrease in operational receivable items (or increase is expressed by "-")	-454,661,105.52	-70,770,027.03
Decrease in operational payable items (or decrease is expressed by "-")	896,587,866.27	965,636,491.75
Other		
Net cash flows from operating activities	230,880,603.51	263,695,447.33
2. Significant investing and financing activities not involving cash deposit and withdrawal:		
Endorsed amount of banker's acceptance bills received from sale of commodities and provision of labor services		
Conversion of debts into capital		
Convertible bonds due within one year		
Fixed assets under financing lease		
3. Net increase in cash and cash equivalents:		
Closing balance of cash	3,372,691,106.95	2,907,617,089.92
Less: opening balance of cash	2,907,617,089.92	1,985,600,642.65
Plus: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	465,074,017.03	922,016,447.27

2. Constitution of cash and cash equivalents

Item	Closing balance	Beginning balance
I. cash	3,372,691,106.95	2,907,617,089.92
Wherein: cash on hand	286,882.64	301,751.46
Bank deposits available for payment at any time	1,170,816,437.39	1,416,967,647.69
Other monetary capital available for payment at any time	2,201,587,786.92	1,490,347,690.77
Cash deposited in Central Bank available for payment at any time		
Deposits in other banks		
Loans to other banks		
II. Cash equivalents		
Wherein: bond investments due within 3 months		
III. Closing balance of cash and cash equivalents	3,372,691,106.95	2,907,617,089.92
Including: cash and cash equivalents with use restrictions on the parent company or the subsidiaries within the Group		

(L) Government subsidy

a) Basic situation of government subsidy

Type	Amount	Listed and reported items	Amount included in the current profits and losses
Special guiding funds for building energy efficiency in 2014	118,867.92	Non-operating income	118,867.92

Type	Amount	Listed and reported items	Amount included in the current profits and losses
Financial transfer to property subsidy	2,000,000.00	Non-operating income	2,000,000.00
Management Committee transferred to property subsidy	2,500,000.00	Non-operating income	2,500,000.00
Development and Reform Commission Special Fund Subsidy for Business Development in 2020	22,200.00	Non-operating income	22,200.00
Taizhou Social Insurance Fund Settlement Center subsidized the fourth batch of workers for training in November 2020	159,500.00	Non-operating income	159,500.00
Other key projects in the medical park and district-level supporting facilities for scientific and technological innovation of people's livelihood projects in 2020	75,000.00	Non-operating income	75,000.00
In 2019, the second batch of scientific and technological innovation declaration project awards (district-level supporting) and enterprise R&D expenses were added and deducted	12,990.00	Non-operating income	12,990.00
Enterprise stable post subsidy	4,510.83	Non-operating income	4,510.83
Tax reduction and exemption	101,673.62	Non-operating income	101,673.62
Return of unemployment benefits of Taizhou Labor and Employment Management Center	7,826.68	Non-operating income	7,826.68
In November, 2020, the fourth batch was subsidized by training on behalf of workers	161,000.00	Non-operating income	161,000.00
Refund of taxes and levies	361,377.24	Non-operating income	361,377.24
Municipal Labor and Employment Management Center Stable Post Refund	226,128.71	Non-operating income	226,128.71
Government subsidy of Taizhou Medical High-tech Industrial Development Zone Management Committee.	2,597,800.54	Non-operating income	2,597,800.54
Expenses of the Development Group of the Tenth Medical Expo of Taizhou Medical New & High-tech Industrial Park Management Committee	3,000,000.00	Non-operating income	3,000,000.00
Expenses of the 11th Medical Expo of Taizhou Pharmaceutical Technology Transfer Service Center	5,993,144.52	Non-operating income	5,993,144.52
Guidance fund for service industry development of Taizhou Medical New & High-tech Industrial Park Management Committee	2,050,000.00	Non-operating income	2,050,000.00
2018 Taizhou City Cultural Industry Development Special Fund Support Project	100,000.00	Non-operating income	100,000.00
Provincial science and technology entrepreneurship incubation program funds in 2019 in in high-tech zones	630,000.00	Non-operating income	630,000.00
The second batch of funds for provincial-level industrial and information industry transformation and updating in 2019	800,000.00	Non-operating income	800,000.00
Funding subsidy for special talent plan in high-tech zone	1,000,000.00	Non-operating income	1,000,000.00
Funds for major science and technology demonstration projects of social development in 2018	1,300,000.00	Non-operating income	1,300,000.00
113 subsidies	200,000.00	Non-operating income	200,000.00
2020 District Service Industry Development Guidance Fund (Taizhou Quality Certification)	50,000.00	Non-operating income	50,000.00
Funds for small and medium-sized Enterprise Development Project in 2017	435,000.00	Non-operating income	435,000.00
Treasury Payment Center of High-tech Zone will support enterprises to fight against epidemic situation in 2020	282,500.00	Non-operating income	282,500.00
Construction funds of talent system of Finance Bureau of High-tech Zone	10,574.00	Non-operating income	10,574.00

Type	Amount	Listed and reported items	Amount included in the current profits and losses
Park Finance Bureau subsidy	45,710,000.00	Non-operating income	45,710,000.00
Total	69,910,094.06		69,910,094.06

VII. Change of consolidation Scope**(I) Merger of enterprises under different control****1、Merger of enterprises not under common control in this period**

Name of the acquiree	Date and address for equity acquisition	Cost of Equity acquisition	Equity acquisition ratio (%)	Acquisition method of equity	Purchase Day	The basis for determining the acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period
Jiangsu Xinzhiyuan Medical Technology Co., Ltd.	June 30, 2020	14,089,740.00	90.00	Equity transfer	June 30, 2020	Business change	32,800,966.41	7,127,133.19

(II) Changes of consolidation scope due to other reasons

In this period, the company newly established subsidiaries Taizhou International Exhibition Co., Ltd. and Taizhou Huateng Sports Management Co., Ltd; Equity transfer Taizhou Guangrui Financial Leasing Co., Ltd. and Taizhou Hongxin Technology Small Loan Co., Ltd.

VIII. Equity in other entities**(I) Equity in subsidiaries****1. The composition of enterprise groups**

Name of Subsidiaries	Main business place	Registered land	Business nature	Shareholding Ratio (%)		Acquisition method
				Direct	Indirect	
Jiangsu Hualian Oriental Real Estate Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Real estate development and sales	100.00		Establishment
Jiangsu International Trade Oriental Swimming Service Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Service		100.00	Establishment
Taizhou Holiday Oriental Hotel Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Service		100.00	Establishment
Taizhou Pacific Construction Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Real estate development		89.76	Merger of enterprises not under common control
Taizhou Ruijia Real Estate Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Real Estate Industry		100.00	Merger of enterprises not under common control
Taizhou Ruisheng Real Estate Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Real Estate Industry		100.00	Merger of enterprises not under common control
Taizhou Medical City Huayi Business Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Service		100.00	Establishment
Taizhou Dongfang Town Business Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Property service.		100.00	Establishment
Jiangsu Huayu Public Facilities Management Service Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Construction project	100.00		Establishment
Jiangsu Huachuang pharmaceutical R & D Platform Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Technology R & D and transfer	100.00		Establishment
Taizhou Medical City Huaying Trading Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Sales, management	100.00		Establishment
Taizhou Medical City Yingtai Pharmaceutical Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Drug wholesale		60.00	Establishment
Taizhou Pinwei Culture Media Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Culture, sports and entertainment industry		100.00	Establishment
Jiangsu Taisheng Health Medical Technology Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Industry investment	100.00		Establishment
Taizhou Saiang Medical Equipment Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Technical Services		100.00	Establishment
Taizhou Zhongang Investment Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Investment management	54.55		Establishment
Taizhou Ruikang Catering Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	business inquiries		100.00	Establishment
Taizhou Guotai Exhibition Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Conference and Exhibition Service		100.00	Establishment
Taizhou Hongyun Advertising Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Advertising Services		100.00	Establishment
Taizhou Huamei Property Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Property management	100.00		Establishment
Taizhou Guomao Property Service Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Property management		100.00	Establishment

Name of Subsidiaries	Main business place	Registered land	Business nature	Shareholding Ratio (%)		Acquisition method
				Direct	Indirect	
Jiangsu Huatai vaccine Engineering Technology Research Co., Ltd	Taizhou, Jiangsu	Taizhou, Jiangsu	Technology R & D and transfer	100.00		Establishment
Taizhou Anliang Biopharmaceutical Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Technology R R & D and transfer	100.00		Establishment
Huachuang medical (Hong Kong) Co., Ltd	Hongkong	Hongkong	Investment management		100.00	Establishment
Taizhou Ruihong Business Management Co., Ltd	Taizhou, Jiangsu	Taizhou, Jiangsu	business Administration		100.00	Establishment
Taizhou Mengchuang Town Business Management Co., Ltd	Taizhou, Jiangsu	Taizhou, Jiangsu	Business management		100.00	Establishment
Taizhou pharmaceutical high-tech Zone Huarong Asset Management Co., Ltd	Taizhou, Jiangsu	Taizhou, Jiangsu	Leasing and business services	100.00		New establishment
Taizhou Shu World Property Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Property management		100.00	Merger of enterprises not under common control
Taizhou Dunan Security Service Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Security service		100.00	Merger of enterprises not under common control
Taizhou Medical City Property Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Property management		100.00	Merger of enterprises not under common control
Taizhou Huayi Catering Service Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Catering Services		100.00	Merger of enterprises not under common control
Taizhou Huaxin Business Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Business management		100.00	Merger of enterprises not under common control
Taizhou Huaguan Catering Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Catering management		100.00	Merger of enterprises not under common control
Taizhou Qianfu Trade Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Wholesale and retail		100.00	Merger of enterprises not under common control
Taizhou Suyi Cinema Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Culture, sports and entertainment industry		100.00	Merger of enterprises not under common control
Taizhou Huaxuan Hotel Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Hotel management		100.00	Merger of enterprises not under common control
Taizhou Hualimei Fitness Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Culture, sports and entertainment industry		100.00	Merger of enterprises not under common control
Taizhou Huaxiang Hotel Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Hotel management		100.00	Merger of enterprises not under common control
Taizhou Huayao Hotel Management Co.	Taizhou, Jiangsu	Taizhou, Jiangsu	Hotel management		100.00	Merger of enterprises not under common control
Taizhou Huasu Apartment Management Co.	Taizhou, Jiangsu	Taizhou, Jiangsu	Apartment management		100.00	Merger of enterprises not under common control
Taizhou Ruiying Hotel Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Hotel management		100.00	Merger of enterprises not under common control
Jiangsu Xinzhiyuan Medical Technology Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Professional equipment manufacturing industry		90.00	Merger of enterprises not under common control

Name of Subsidiaries	Main business place	Registered land	Business nature	Shareholding Ratio (%)		Acquisition method
				Direct	Indirect	
Taizhou Guotai Exhibition Management Co., Ltd	Taizhou, Jiangsu	Taizhou, Jiangsu	Leasing and business services		100.00	Establishment
Taizhou Huaming Asset Management Co., Ltd.	Taizhou, Jiangsu	Taizhou, Jiangsu	Sports industry		100.00	Establishment

(II) Equity in joint venture arrangements or associated enterprises**1. Important joint venture or associated enterprises**

Name of joint venture or associated enterprises	Main business place	Registered land	Business nature	Shareholding Ratio (%)		Accounting treatment method of the investment to joint venture or associated enterprises
				Direct	Indirect	
Taizhou Pharmaceutical High-tech Zone Huayin Financial Investment Co., Ltd.	Taizhou	Taizhou	Financial	31.5		Equity method
China energy saving and new energy Taizhou co., Ltd.	Taizhou	Taizhou	New energy		22.50	Equity method
Huadian Taizhou Medical City new energy co., Ltd.	Taizhou	Taizhou	New energy		40.00	Equity method

IX. Related parties and related party transactions**(I) Parent company of this Company**

The actual controller of this enterprise is Taizhou Medical High-tech Industrial Development Zone Management Committee.

(II) Subsidiaries of the enterprise

The details of the subsidiaries of this enterprise can be found in notes VII and (I).

(III) Situation of the company's joint ventures and cooperative enterprises

Please refer to Note 8. (2) for the company's significant joint ventures or associated enterprises.

Conditions of other cooperative enterprises or associated enterprise having the transactions of related parties with the Company and forming balances in the current period or the prior period are shown as follows.

Name of joint or associated enterprises	Relationship with the enterprise
Taizhou Pharmaceutical High-tech Zone Huayin Financial Investment Co., Ltd.	Associated enterprises
China energy saving and new energy Taizhou co., Ltd.	Associated enterprises
Huadian Taizhou Medical City new energy co., Ltd.	Associated enterprises

(IV) Related party transactions**1. Associated transactions of purchase and sales of commodities, supply and acceptance of labor services**

In 2020, the company has no associated transactions of purchase and sales of commodities, supply and acceptance of labor services.

2. Associated entrusted management/contracting and entrusted management /outsourcing situation

In 2020, the company and affiliated parties have no entrusted management/contracting and entrusted management/outsourcing situation.

3. Associated lease situation in 2020, there is no lease between the company and its affiliated parties.**4. Associated guarantees**

In 2020, there was no guarantee between the company and its affiliated parties.

5. Fund lending with affiliated parties**6. Asset transfer and debt restructuring with affiliated parties**

In 2020, there was no asset transfer and debt restructuring between the company and affiliated parties

X. Commitments and contingencies

(I) Contingencies

1. Important contingencies existed on the balance sheet date

Guarantee unit	Guaranteed unit	Guarantee amount (Ten thousand Yuan)	Are they related parties included in the scope of the merger
TaiZhou Orient China Medical City Holding Group CO., LTD	Taizhou Huacheng Medical Investment Group Co., Ltd.	126,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Jiangsu Taizhou Port Core Port Area Investment Co., Ltd.	83,330	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	28,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	14,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou New Binjiang Development Co., Ltd.	20,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	20,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	17,500	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Port Development Co., Ltd.	15,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou New Binjiang Development Co., Ltd.	14,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou New Binjiang Development Co., Ltd.	13,200	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	10,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	10,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Tongtai Investment Co., Ltd.	10,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou New Binjiang Development Co., Ltd.	10,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	3,450	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Huacheng Medical Investment Group Co., Ltd.	2,500	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou New Binjiang Development Co., Ltd.	6,000	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Gangrun investment development co., ltd.	4,950	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou New District New Countryside Investment and Development Co., Ltd.	4,800	No
TaiZhou Orient China Medical City Holding Group Co., Ltd.	Taizhou Feisite Construction Engineering Co., Ltd.	3,200	No
Total		415,930.00	

In addition to the above matters, as of Thursday, December 31, 2020, the company has no other important or contingent matters that need to be disclosed.

XI. Post Balance Sheet Event

As of the date of reporting of the financial statement, the company has no events after the balance sheet date.

XII. Other Important Matters

(I) Correction of accounting errors in earlier stage

The company did not have any previous error correction during the reporting period.

XIII. Notes To Main Items Financial Statements of the Parent Company

(I) Other receivables

1 Items listing

Item	Closing balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	9,790,489,820.34	8,714,326,489.55
Total	9,790,489,820.34	8,714,326,489.55

2. Other receivables**(1) Classification and disclosure of other receivable**

Type	Closing balance					Beginning balance				
	Book balance		Bad debt reserves		Book value	Book balance		Bad debt reserves		Book value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables with large single amount and single provision for bad debts										
Accrual of bad debt reserve receivables by portfolio										
Combination 1: Aging combination	162,491,173.89	1.66	11,297,636.25	6.95	151,193,537.64	337,676,993.72	3.87	11,617,966.42	3.44	326,059,027.30
Combination 2: risk-free portfolio	9,639,296,282.70	98.34			9,639,296,282.70	8,388,267,462.25	96.13			8,388,267,462.25
Combination subtotal	9,801,787,456.59	100.00	11,297,636.25	0.12	9,790,489,820.34	8,725,944,455.97	100.00	11,617,966.42	0.13	8,714,326,489.55
Other receivables for individually non-significant amount but single withdrawing bad debt reserves										
Total	9,801,787,456.59	/	11,297,636.25	/	9,790,489,820.34	8,725,944,455.97	/	11,617,966.42	/	8,714,326,489.55

Other receivables withdrawing the bad debt reserves by account age analysis method in the portfolio:

Aging	Closing balance		
	Other receivables	Bad debt reserves	Withdrawal proportion (%)
Within 1 year	107,733,116.56	1,077,331.17	1.00
1-2 years	18,987.03	949.35	5.00
2-3 years	49,090,474.40	4,909,047.44	10.00
3-4 years			
4-5 years	676,575.21	338,287.61	50.00
More than 5 years	4,972,020.69	4,972,020.68	100.00
Total	162,491,173.89	11,297,636.25	

(II) Long - term equity investment

Item	Closing balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	2,193,000,000.00		2,193,000,000.00	1,669,908,200.00		1,669,908,200.00
Investment in joint ventures and associated enterprises	1,445,728,700.00		1,445,728,700.00	857,486,000.00		857,486,000.00
Total	3,638,728,700.00		3,638,728,700.00	2,527,394,200.00		2,527,394,200.00

1. Investment in subsidiaries

Invested unit	Beginning balance (book value)	Increase and decrease in the current period				Ending balance (book value)
		Additional investment	Negative investment	Withdrawn impairment provision	Other	
Taizhou Medical City Huayi Business Service Co., Ltd	-	351,000,000.00				351,000,000.00
Taizhou Anliang Biopharmaceutical Co., Ltd.	350,000,000.00	300,000,000.00				650,000,000.00
Taizhou Medical City Huaying Trading Co., Ltd.	200,000,000.00					200,000,000.00
Jiangsu Hualian Oriental Real Estate Co., Ltd.	300,000,000.00					300,000,000.00
Taizhou Huamei Property Management Co., Ltd	2,000,000.00					2,000,000.00
Taizhou Taisheng Pharmaceutical Industry Investment Co., Ltd.	10,000,000.00					10,000,000.00
Taizhou Zhongang Investment Management Co., Ltd.	50,000,000.00	10,000,000.00				60,000,000.00
Jiangsu Huachuang pharmaceutical R & D Platform Management Co., Ltd.	50,000,000.00					50,000,000.00
Jiangsu Huayu Public Facilities Management Service Co., Ltd.	20,000,000.00					20,000,000.00
Taizhou Hongxin technology microfinance Co., Ltd	137,908,200.00		137,908,200.00			
Taizhou pharmaceutical high-tech Zone Huarong Asset Management Co., Ltd	500,000,000.00					500,000,000.00
Jiangsu Huatai vaccine Engineering Technology Research Co., Ltd	50,000,000.00					50,000,000.00
Total	1,669,908,200.00	661,000,000.00	137,908,200.00		-	2,193,000,000.00

2. Investment in joint ventures and associated enterprises

Invest unit	Beginning balance (book value)	Increase and decrease in the current period								Ending balance (book value)	Impairment provision Closing balance
		Additional investment	Negative investment	Profits and losses on investments confirmed by the equity method	Adjustments of other comprehensive incomes	Changes in other equities	Declared and distributed cash dividends or profits	Withdrawal Impairment provision	Other		
Associated enterprises											
Taizhou Pharmaceutical	857,486,000.00	588,242,700.00								1,445,728,700.00	

Invest unit	Beginning balance (book value)	Increase and decrease in the current period								Ending balance (book value)	Impairment provision Closing balance
		Additional investment	Negative investment	Profits and losses on investments confirmed by the equity method	Adjustments of other comprehensive incomes	Changes in other equities	Declared and distributed cash dividends or profits	Withdrawal Impairment provision	Other		
High-tech Zone Huayin Financial Investment Co., Ltd.											
Total	857,486,000.00	588,242,700.00								1,445,728,700.00	

(III) Operating Income and Operating Cost**1. Operating Income and Operating Cost**

Item	Amount incurred in current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business	641,495.91		683,441.58	

(IV) Incomes of investment

Item	Amount incurred in current period	Amount incurred in previous period
Investment income from disposal of long-term equity investments	43,387,800.00	67,486,000.00

TaiZhou Orient China Medical City Holding Group Co., Ltd.

April 28th, 2020

泰州东方中国医药城控股集团有限公司
2020 年度财务报表审计报告

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审 计 报 告

[2021]京会兴审字第 83000036 号

泰州东方中国医药城控股集团有限公司全体股东：

一、审计意见

我们审计了泰州东方中国医药城控股集团有限公司（以下简称公司）合并及母公司财务报表（以下简称财务报表），包括 2020 年 12 月 31 日的合并及母公司资产负债表，2020 年度的合并及母公司利润表、合并及母公司现金流量表、合并及母公司所有者权益变动表以及相关财务报表附注。

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，公允反映了公司 2020 年 12 月 31 日的合并及母公司财务状况以及 2020 年度的合并及母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

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，管理层负责评估公司的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划清算公司、终止运营或别无其他现实的选择。

治理层负责监督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工作的过程中，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：

1、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。

2、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。

3、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。

4、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公司不能持续经营。

5、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。

6、就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，以对财务报表发表审计意见。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。



北京兴华会计师事务所
(特殊普通合伙)

中国注册会计师：
(项目合伙人)



中国·北京
二〇二一年四月二十八日

中国注册会计师：



合并资产负债表

2020年12月31日

编制单位：泰州东方中国医药城控股集团有限公司

单位：元 币种：人民币

项目	附注	期末余额	上年年末余额
流动资产：			
货币资金	六、（一）	4,629,780,705.14	3,845,360,558.86
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			
应收票据	六、（二）	25,007,000.00	10,000,000.00
应收账款	六、（三）	161,255,492.37	383,666,734.92
预付款项	六、（四）	352,361,833.50	265,438,779.53
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、（五）	3,475,844,700.61	2,920,294,842.45
其中：应收利息			
应收股利			
买入返售金融资产*			
存货	六、（六）	4,743,353,075.63	4,467,822,916.40
持有待售资产			
一年内到期的非流动资产			
其他流动资产	六、（七）	163,652,667.32	180,224,503.37
流动资产合计		13,551,255,474.57	12,072,808,335.53
非流动资产：			
发放贷款和垫款*	六、（八）		22,865,709.51
可供出售金融资产	六、（九）	875,250,000.00	360,250,000.00
持有至到期投资			
长期应收款	六、（十）	-	486,186,866.90
长期股权投资	六、（十一）	1,460,229,496.44	873,268,196.44
投资性房地产	六、（十二）	4,755,634,790.00	4,130,354,260.00
固定资产	六、（十三）	114,219,261.41	135,866,955.63
在建工程	六、（十四）	284,416,132.16	262,896,193.55
生产性生物资产			
油气资产			
无形资产	六、（十五）	31,739,229.47	32,626,425.10
开发支出			
商誉	六、（十六）	184,411,694.84	119,406,501.10
长期待摊费用	六、（十七）	17,096,936.08	12,968,803.53
递延所得税资产	六、（十八）	22,392,905.38	17,515,693.45
其他非流动资产			
非流动资产合计		7,745,390,445.78	6,454,205,605.21
资产总计		21,296,645,920.35	18,527,013,940.74

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

合并资产负债表（续）

2020年12月31日

编制单位：泰州东方中国医药城控股集团有限公司

单位：元 币种：人民币

项目	附注	期末余额	上年年末余额
流动负债：			
短期借款	六、（十九）	3,238,118,450.00	2,915,769,796.02
向中央银行借款*			
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、（二十）	2,027,000,000.00	1,113,500,000.00
应付账款	六、（二十一）	207,446,564.28	706,054,424.37
预收款项	六、（二十二）	2,076,177,805.11	2,043,330,009.18
卖出回购金融资产款*			
吸收存款及同业存放*			
代理买卖证券款*			
代理承销证券款*			
应付职工薪酬	六、（二十三）	10,352,662.37	4,244,280.47
应交税费	六、（二十四）	86,815,886.05	50,740,889.04
其他应付款	六、（二十五）	351,701,392.86	442,217,438.05
其中：应付利息			
应付股利			
应付手续费及佣金*			
应付分保账款*			
持有待售负债			
一年内到期的非流动负债	六、（二十六）	975,254,673.82	850,000,000.00
其他流动负债	六、（二十七）	191,822.74	
流动负债合计		8,973,059,257.23	8,125,856,837.13
非流动负债：			
保险合同准备金*			
长期借款	六、（二十八）	2,780,983,656.83	4,541,368,672.00
应付债券	六、（二十九）	2,398,000,000.00	
其中：优先股			
永续债			
长期应付款	六、（三十）	13,294,345.98	12,518,004.68
长期应付职工薪酬			
预计负债	六、（三十一）	210,000.00	
递延收益			
递延所得税负债	六、（十八）	275,992,260.33	239,372,016.24
其他非流动负债			
非流动负债合计		5,468,480,263.14	4,793,258,692.92
负债合计		14,441,539,520.37	12,919,115,530.05
所有者权益（或股东权益）：			
实收资本（或股本）	六、（三十二）	2,716,102,500.00	2,716,102,500.00
其他权益工具			
其中：优先股			
永续债			
资本公积	六、（三十三）	2,403,664,164.69	1,101,413,118.21
减：库存股			
其他综合收益	六、（三十四）	16,640,276.31	16,640,276.31
专项储备			
盈余公积		3,758,624.03	
一般风险准备*			
未分配利润	六、（三十五）	1,212,570,164.24	1,154,003,436.35
归属于母公司所有者权益（或股东权益）合计		6,352,735,729.27	4,988,159,330.87
少数股东权益		502,370,670.71	619,739,079.82
所有者权益（或股东权益）合计		6,855,106,399.98	5,607,898,410.69
负债和所有者权益（或股东权益）总计		21,296,645,920.35	18,527,013,940.74

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

母公司资产负债表

2020年12月31日

编制单位：泰州东方中国医药城控股集团有限公司

单位：元 币种：人民币

项目	附注	期末余额	上年年末余额
流动资产：			
货币资金		1,083,679,155.33	637,819,547.66
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		2,000.00	
其他应收款	十三、（一）	9,790,489,820.34	8,714,326,489.55
其中：应收利息			
应收股利			
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		4,461.94	
流动资产合计		10,874,175,437.61	9,352,146,037.21
非流动资产：			
可供出售金融资产		373,750,000.00	348,750,000.00
持有至到期投资			
长期应收款			
长期股权投资	十三、（二）	3,638,728,700.00	2,527,394,200.00
投资性房地产			
固定资产		236,840.50	231,458.95
在建工程		51,398,476.46	51,398,476.46
生产性生物资产			
油气资产			
无形资产		11,701,183.69	12,012,976.97
开发支出			
商誉			
长期待摊费用		2,500,000.00	3,000,000.00
递延所得税资产		2,824,409.06	2,904,491.61
其他非流动资产			
非流动资产合计		4,081,139,609.71	2,945,691,603.99
资产总计		14,955,315,047.32	12,297,837,641.20

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶



母公司资产负债表（续）

2020年12月31日

编制单位：泰州东方中国医药城控股集团有限公司

单位：元 币种：人民币

项目	附注	期末余额	上年年末余额
流动负债：			
短期借款		1,592,818,450.00	1,104,810,000.00
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		600,000,000.00	51,500,000.00
应付账款		112,606.23	112,606.23
预收款项		-	15,000.00
应付职工薪酬		319,140.83	376,294.52
应交税费		47,285,728.34	31,407,370.10
其他应付款		4,110,554,934.82	4,372,530,408.85
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		975,254,673.82	850,000,000.00
其他流动负债			
流动负债合计		7,326,345,534.04	6,410,751,679.70
非流动负债：			
长期借款		1,370,165,983.46	3,098,868,672.00
应付债券		2,398,000,000.00	
其中：优先股			
永续债			
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			
非流动负债合计		3,768,165,983.46	3,098,868,672.00
负债合计		11,094,511,517.50	9,509,620,351.70
所有者权益（或股东权益）：			
实收资本（或股本）		2,716,102,500.00	2,716,102,500.00
其他权益工具			
其中：优先股			
永续债			
资本公积		1,035,000,000.00	
减：库存股			
其他综合收益			
专项储备			
盈余公积		11,327,884.26	7,569,260.23
未分配利润		98,373,145.56	64,545,529.27
所有者权益（或股东权益）合计		3,860,803,529.82	2,788,217,289.50
负债和所有者权益（或股东权益）总计		14,955,315,047.32	12,297,837,641.20

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶



合并利润表

2020年1-12月

编制单位：泰州东药中国医药城控股集团有限公司

单位：元 币种：人民币

项目	附注	本期金额	上期金额
一、营业总收入		1,111,780,984.21	1,029,023,686.74
其中：营业收入	六、（三十六）	1,111,780,984.21	1,029,023,686.74
利息收入*			
已赚保费*			
手续费及佣金收入*			
二、营业总成本		1,153,539,997.37	1,093,948,420.79
其中：营业成本	六、（三十六）	877,981,719.05	849,710,301.22
利息支出*			
手续费及佣金支出*			
退保金*			
赔付支出净额*			
提取保险合同准备金净额*			
保单红利支出*			
分保费用*			
税金及附加	六、（三十七）	13,433,003.40	11,577,650.91
销售费用	六、（三十八）	22,263,707.30	8,119,962.59
管理费用	六、（三十九）	216,066,352.67	183,771,038.05
研发费用	六、（四十）	1,497,475.06	
财务费用	六、（四十一）	2,705,303.95	23,766,291.46
其中：利息费用		30,588,568.42	34,005,911.51
利息收入		6,975,109.97	16,199,289.29
加：其他收益			
投资收益（损失以“-”号填列）	六、（四十二）	-26,124,767.99	54,217,717.22
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）*		-443,927.01	119,780.60
公允价值变动收益（损失以“-”号填列）	六、（四十三）	146,480,976.34	82,149,548.35
资产减值损失（损失以“-”号填列）	六、（四十四）	-19,592,435.94	-17,003,176.56
资产处置收益（损失以“-”号填列）	六、（四十五）	-52,571.39	
三、营业利润（亏损以“-”号填列）		78,100,696.79	71,562,312.12
加：营业外收入	六、（四十六）	74,839,082.87	88,280,191.99
减：营业外支出	六、（四十七）	1,150,957.88	1,292,958.76
四、利润总额（亏损总额以“-”号填列）		151,788,821.78	158,549,545.35
减：所得税费用	六、（四十八）	86,952,794.95	51,056,597.45
五、净利润（净亏损以“-”号填列）		64,836,026.83	107,492,947.90
（一）按经营持续性分类			
1. 持续经营净利润（净亏损以“-”号填列）			
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）		62,325,351.92	99,378,134.32
2. 少数股东损益（净亏损以“-”号填列）		2,510,674.91	8,114,813.58
六、其他综合收益的税后净额		-	-
七、综合收益总额		64,836,026.83	107,492,947.90
（一）归属于母公司所有者的综合收益总额		62,325,351.92	99,378,134.32
（二）归属于少数股东的综合收益总额		2,510,674.91	8,114,813.58

本期发生同一控制下企业合并的，被合并方在合并前实现的净利润为：_____元，上期被合并方实现的净利润为：_____元。
后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

母公司利润表

2020年1-12月

编制单位：泰州东方中国医药控股集团有限公司

单位：元 币种：人民币

项目	附注	本期金额	上期金额
一、营业收入	三十、（三）	641,495.91	683,441.58
减：营业成本			
税金及附加		1,617.88	17,639.75
销售费用			
管理费用		11,831,916.88	12,934,515.37
研发费用			
财务费用		-21,615,509.30	4,480,119.34
其中：利息费用			
利息收入		1,552,691.47	788,821.12
加：其他收益			
投资收益（损失以“－”号填列）	三十、（四）	43,387,800.00	67,486,000.00
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）		-318,330.17	7,684,586.36
资产处置收益（损失以“－”号填列）			
二、营业利润（亏损以“－”号填列）		54,129,600.62	43,052,580.76
加：营业外收入		53,555.31	57,878,295.24
减：营业外支出		300,021.31	300.00
三、利润总额（亏损总额以“－”号填列）		53,883,134.62	100,930,576.00
减：所得税费用		16,296,894.30	25,237,973.70
四、净利润（净亏损以“－”号填列）		37,586,240.32	75,692,602.30
（一）持续经营净利润（净亏损以“－”号填列）		37,586,240.32	75,692,602.30
（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		-	-
六、综合收益总额		37,586,240.32	75,692,602.30

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

合并现金流量表

2020年1-12月

编制单位：泰州东方中国医药城控股集团有限公司

单位：元 币种：人民币

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		1,127,457,166.21	1,993,108,736.41
客户存款和同业存放款项净增加额*			
向中央银行借款净增加额*			
向其他金融机构拆入资金净增加额*			
收到原保险合同保费取得的现金*			
收到再保险业务现金净额*			
保户储金及投资款净增加额*			
收取利息、手续费及佣金的现金*		-	
拆入资金净增加额*			
回购业务资金净增加额*			
代理买卖证券收到的现金净额*			
收到的税费返还		37,412,131.19	255,487.64
收到其他与经营活动有关的现金		3,740,673,940.03	3,943,923,981.18
经营活动现金流入小计		4,905,543,237.43	5,937,288,205.23
购买商品、接受劳务支付的现金		907,790,257.68	1,440,209,423.72
客户贷款及垫款净增加额*		74,993,323.73	23,096,676.27
存放中央银行和同业款项净增加额*			
支付原保险合同赔付款项的现金*			
拆出资金净增加额*			
支付利息、手续费及佣金的现金*		-	
支付保单红利的现金*			
支付给职工以及为职工支付的现金		156,885,703.99	68,279,461.73
支付的各项税费		59,775,178.46	87,704,490.00
支付其他与经营活动有关的现金		3,475,218,170.06	4,054,302,706.18
经营活动现金流出小计		4,674,662,633.92	5,673,592,757.90
经营活动产生的现金流量净额	六、（四十九）	230,880,603.51	263,695,447.33
二、投资活动产生的现金流量：			
收回投资收到的现金			
取得投资收益收到的现金			
处置固定资产、无形资产和其他长期资产收回的现金净额		70,412.62	
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		70,412.62	-
购建固定资产、无形资产和其他长期资产支付的现金		393,991,983.72	560,733,464.05
投资支付的现金		525,000,000.00	
质押贷款净增加额*			
取得子公司及其他营业单位支付的现金净额		14,089,740.00	6,145,410.00
支付其他与投资活动有关的现金		-	
投资活动现金流出小计		933,081,723.72	566,878,874.05
投资活动产生的现金流量净额		-933,011,311.10	-566,878,874.05
三、筹资活动产生的现金流量：			
吸收投资收到的现金		1,535,000,000.00	
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		7,064,145,000.00	5,465,080,000.00
收到其他与筹资活动有关的现金			
筹资活动现金流入小计		8,599,145,000.00	5,465,080,000.00
偿还债务支付的现金		6,568,928,296.64	3,446,102,268.67
分配股利、利润或偿付利息支付的现金		715,563,060.94	521,848,435.12
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		147,448,917.80	271,929,422.22
筹资活动现金流出小计		7,431,940,275.38	4,239,880,126.01
筹资活动产生的现金流量净额		1,167,204,724.62	1,225,199,873.99
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		465,074,017.03	922,016,447.27
加：期初现金及现金等价物余额		2,907,617,089.92	1,985,600,642.65
六、期末现金及现金等价物余额		3,372,691,106.95	2,907,617,089.92

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

母公司现金流量表

2020年1-12月

编制单位：泰州东方中国医药城控股集团有限公司

单位：元 币种：人民币

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		658,279.44	667,354.01
收到的税费返还		3,462.60	481.43
收到其他与经营活动有关的现金		8,253,024,439.57	6,001,890,282.55
经营活动现金流入小计		8,253,686,181.61	6,002,558,117.99
购买商品、接受劳务支付的现金			2,925.00
支付给职工以及为职工支付的现金		7,041,948.96	6,882,286.82
支付的各项税费		92,984.54	8,929,117.50
支付其他与经营活动有关的现金		9,761,693,976.06	5,935,061,783.88
经营活动现金流出小计		9,768,828,909.56	5,950,876,113.20
经营活动产生的现金流量净额		-1,515,142,727.95	51,682,004.79
二、投资活动产生的现金流量：			
收回投资收到的现金			
取得投资收益收到的现金			
处置固定资产、无形资产和其他长期资产收回的现金净额		56,700.00	
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		56,700.00	-
购建固定资产、无形资产和其他长期资产支付的现金		143,857.91	55,938,110.00
投资支付的现金		25,000,000.00	
取得子公司及其他营业单位支付的现金净额		24,089,740.00	620,145,410.00
支付其他与投资活动有关的现金			
投资活动现金流出小计		49,233,597.91	676,083,520.00
投资活动产生的现金流量净额		-49,176,897.91	-676,083,520.00
三、筹资活动产生的现金流量：			
吸收投资收到的现金		1,035,000,000.00	
取得借款收到的现金		4,942,345,000.00	2,878,970,000.00
收到其他与筹资活动有关的现金			5,292,666.67
筹资活动现金流入小计		5,977,345,000.00	2,884,262,666.67
偿还债务支付的现金		3,569,688,344.72	1,624,842,064.69
分配股利、利润或偿付利息支付的现金		433,106,215.61	317,807,721.15
支付其他与筹资活动有关的现金		15,871,206.14	
筹资活动现金流出小计		4,018,665,766.47	1,942,649,785.84
筹资活动产生的现金流量净额		1,958,679,233.53	941,612,880.83
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		394,359,607.67	317,211,365.62
加：期初现金及现金等价物余额		689,319,547.66	372,108,182.04
六、期末现金及现金等价物余额		1,083,679,155.33	689,319,547.66

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

合并所有者权益变动表

2020年1-12月

编制单位：泰州东方红药业股份有限公司

单位：元 币种：人民币

项目	本年金额											少数 股东权益	所有者权益合计
	实收资本（或股 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		
		优先股	永续债	其他									
一、上年期末余额	2,716,102,500.00	-	-	-	1,101,413,118.21	-	16,640,276.31	-	-	-	1,154,003,436.35	619,739,079.82	5,607,898,410.69
加：会计政策变更													-
前期差错更正													-
同一控制下企业合并													-
其他													-
二、本年期初余额	2,716,102,500.00	-	-	-	1,101,413,118.21	-	16,640,276.31	-	-	-	1,154,003,436.35	619,739,079.82	5,607,898,410.69
三、本期增减变动金额（减少以“-”号填列）	-	-	-	-	1,302,251,046.48	-	-	-	3,758,624.03	-	58,566,727.89	-117,368,409.11	1,247,207,989.29
（一）综合收益总额											62,325,351.92	-117,368,409.11	-55,043,057.19
（二）所有者投入和减少资本	-	-	-	-	-	-	-	-	-	-	-	-	-
1.所有者投入的普通股													-
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	-	-	-	-	-	-	-	-	3,758,624.03	-	-3,758,624.03	-	-
1.提取盈余公积									3,758,624.03		-3,758,624.03		-
2.提取一般风险准备*													-
3.对所有者（或股东）的分配													-
4.其他													-
（四）所有者权益内部结转	-	-	-	-	1,302,251,046.48	-	-	-	-	-	-	-	1,302,251,046.48
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.其他综合收益结转留存收益													-
6.其他					1,302,251,046.48								1,302,251,046.48
（五）专项储备	-	-	-	-	-	-	-	-	-	-	-	-	-
1.本期提取													-
2.本期使用													-
（六）其他													-
四、本期期末余额	2,716,102,500.00	-	-	-	2,403,664,164.69	-	16,640,276.31	-	3,758,624.03	-	1,212,570,164.24	502,370,670.71	6,855,106,399.98

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

合并所有者权益变动表

2020年1-12月

编制单位：上海东方医药科技股份有限公司

单位：元 币种：人民币

项目	上年金额												少数 股东权益	所有者权益合计
	归属于母公司所有者权益													
	实收资本（或股 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			
		优先股	永续债	其他										
一、上年期末余额	2,716,102,500.00	-	-	-	1,108,074,583.97	-	-	-	-	-	1,054,625,302.03	675,133,883.20	5,553,936,269.20	
加：会计政策变更														
前期差错更正														
同一控制下企业合并														
其他														
二、本年期初余额	2,716,102,500.00	-	-	-	1,108,074,583.97	-	-	-	-	-	1,054,625,302.03	675,133,883.20	5,553,936,269.20	
三、本期增减变动金额（减少以“-”号填列）	-	-	-	-	-6,661,465.76	-	16,640,276.31	-	-	-	99,378,134.32	-55,394,803.38	53,962,141.49	
（一）综合收益总额											99,378,134.32	-55,394,803.38	43,983,330.94	
（二）所有者投入和减少资本	-	-	-	-	-	-	16,640,276.31	-	-	-	-	-	16,640,276.31	
1.所有者投入的普通股							16,640,276.31						16,640,276.31	
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（或股东）的分配													-	
4.其他													-	
（四）所有者权益内部结转	-	-	-	-	-6,661,465.76	-	-	-	-	-	-	-	-6,661,465.76	
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.其他综合收益结转留存收益													-	
6.其他					-6,661,465.76								-6,661,465.76	
（五）专项储备	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.本期提取													-	
2.本期使用													-	
（六）其他													-	
四、本期期末余额	2,716,102,500.00	-	-	-	1,101,413,118.21	-	16,640,276.31	-	-	-	1,154,003,436.35	619,739,079.82	5,607,898,410.69	

后附财务报表附注为本财务报表的组成部分。

法定代表人：



主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶

母公司所有者权益变动表

2020年1-12月

编制单位：泰州东方医药城控股集团有限公司

单位：元 币种：人民币

项目	实收资本（或股本）	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、上年期末余额	2,716,102,500.00	-	-	-	-	-	-	-	7,569,260.23	64,545,529.27	2,788,217,289.50
加：会计政策变更											-
前期差错更正											-
其他											-
二、本年期初余额	2,716,102,500.00	-	-	-	-	-	-	-	7,569,260.23	64,545,529.27	2,788,217,289.50
三、本期增减变动金额（减少以“-”号填列）	-	-	-	-	1,035,000,000.00	-	-	-	3,758,624.03	33,827,616.29	1,072,586,240.32
（一）综合收益总额										37,586,240.32	37,586,240.32
（二）所有者投入和减少资本	-	-	-	-	1,035,000,000.00	-	-	-	-	-	1,035,000,000.00
1.所有者投入的普通股					1,035,000,000.00						1,035,000,000.00
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	-	-	-	-	-	-	-	-	3,758,624.03	-3,758,624.03	-
1.提取盈余公积									3,758,624.03	-3,758,624.03	-
2.对所有者（或股东）的分配											-
3.其他											-
（四）所有者权益内部结转	-	-	-	-	-	-	-	-	-	-	-
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、本期期末余额	2,716,102,500.00	-	-	-	1,035,000,000.00	-	-	-	11,327,884.26	98,373,145.56	3,860,803,529.82

后附财务报表附注为本财务报表的组成部分。

法定代表人：

主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶



母公司所有者权益变动表

2020年1-12月

编制单位：泰州东方中国医药城控股集团有限公司

单位：元 币种：人民币

项目	实收资本（或股本）	其他权益工具			上年金额						
		优先股	永续债	其他	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
一、上年期末余额	2,716,102,500.00									-3,577,812.80	2,712,524,687.20
加：会计政策变更											-
前期差错更正											-
其他											-
二、本年期初余额	2,716,102,500.00	-	-	-	-	-	-	-	-	-3,577,812.80	2,712,524,687.20
三、本期增减变动金额（减少以“-”号填列）	-	-	-	-	-	-	-	-	7,569,260.23	68,123,342.07	75,692,602.30
（一）综合收益总额										75,692,602.30	75,692,602.30
（二）所有者投入和减少资本	-	-	-	-	-	-	-	-	-	-	-
1.所有者投入的普通股											-
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	-	-	-	-	-	-	-	-	7,569,260.23	-7,569,260.23	-
1.提取盈余公积									7,569,260.23	-7,569,260.23	-
2.对所有者（或股东）的分配											-
3.其他											-
（四）所有者权益内部结转	-	-	-	-	-	-	-	-	-	-	-
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、本期期末余额	2,716,102,500.00	-	-	-	-	-	-	-	7,569,260.23	64,545,529.27	2,788,217,289.50

后附财务报表附注为本财务报表的组成部分。

法定代表人：

主管会计工作负责人：

李小兵

会计机构负责人：

张晶晶



泰州东方中国医药城控股集团有限公司

2020年度财务报表附注

(金额单位: 元 币种: 人民币)

一、公司基本情况

泰州东方中国医药城控股集团有限公司(以下简称集团公司)由泰州华信药业投资有限公司出资设立,成立于2010年7月2日,2015年4月28日取得了泰州工商行政管理局医药高新技术产业开发区分局换发的注册号为321200000021238的营业执照,社会统一信用代码为91321291558041864B。公司类型:有限责任公司(国有独资)。2015年5月,股东为泰州医药高新技术产业开发区管理委员会。注册、实收资本为271610.25万元整;公司类型:有限责任公司(国有独资);住所:泰州市药城大道一号1幢123室;法定代表人:张路;营业期限:2010年7月2日至无期限。

经营范围:市场管理,医药会展服务,房屋、机械设备租赁,对外投资,医药技术开发服务,疫苗、生物药、化学药、医疗器械的技术研发(不含药品、医疗器械的生产销售),经济信息咨询服务,物业管理,从事授权范围内的国有资产的经营、资本运作,房屋建筑工程施工,城市基础设施建设,市政工程施工,土地整理,城市防洪工程建设的投资、建设、管理、维护,水土资源开发利用,水利设备物资采购、供应。(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)。

根据2019年10月30日签订的股权转让协议,集团公司将泰州医药城鸿泰融资担保有限公司100%股权、泰州广瑞融资租赁有限公司89.31%股权、泰州市鸿鑫科技小额贷款有限公司100%股权、泰州安盛典当有限公司10%股权、泰州华健创业投资有限公司100%股权及江苏华泰融投资管理服务股份有限公司97.5%的股权作为出资泰州医药高新区华银金融投资有限公司。

本公司的经营期限为:2010年7月2日至无期限。

本财务报表业经公司全体董事于2021年4月28日批准报出。

二、本年度合并财务报表范围

本期新纳入合并范围的子公司包括3家,新设立泰州国展展览有限公司、泰州华腾体育管理有限公司,非同一控制下合并江苏新智源医学科技有限公司。因股权转让不再包括泰州广瑞融资租赁有限公司、泰州市鸿鑫科技小额贷款有限公司。具体见本附注“七、合并范围的变更”。

三、财务报表编制基础

(一) 编制基础

公司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》以及其后颁布及修订的具体会计准则、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(以下简称“企业会计准则”)编制财务报表。

(二) 持续经营

公司对报告期末起12个月的持续经营能力进行了评价,未发现对持续经营能力产生重大怀疑的事项或情况。因此,本财务报表系在持续经营假设的基础上编制。

四、重要会计政策及会计估计

(一) 遵循企业会计准则的声明

本公司所编制的财务报表符合企业会计准则的要求,真实、完整地反映了报告期公司的财务

状况、经营成果、现金流量等有关信息。

（二）会计期间

自公历 1 月 1 日至 12 月 31 日止为一个会计年度。

（三）营业周期

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。

（四）记账本位币

本公司的记账本位币为人民币，编制财务报表采用的货币为人民币。本公司及子公司选定记账本位币的依据是主要业务收支的计价和结算币种。

（五）同一控制下和非同一控制下企业合并的会计处理方法

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。合并日为合并方实际取得对被合并方控制权的日期。

在企业合并中取得的资产和负债，按照合并日被合并方在最终控制方合并财务报表中的账面价值计量。被合并各方采用的会计政策与本公司不一致的，合并方在合并日按照本公司会计政策进行调整，在此基础上按照调整后的账面价值确认。

在合并中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，调整资本公积中的股本溢价，资本公积中的股本溢价不足冲减的，调整留存收益。

为进行企业合并而发生的各项直接相关费用，包括为进行合并而支付的审计费用、评估费用、法律服务费等，于发生时计入当期损益。

企业合并中发行权益性证券发生的手续费、佣金等，抵减权益性证券溢价收入，溢价收入不足冲减的，冲减留存收益。

通过多次交易分步实现的同一控制下企业合并，属于“一揽子交易”的，本公司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，取得控制权日，按照下列步骤进行会计处理：

（1）确定同一控制下企业合并形成的长期股权投资的初始投资成本。在合并日，根据合并后应享有被合并方净资产在最终控制方合并财务报表中的账面价值的份额，确定长期股权投资的初始投资成本。

（2）长期股权投资初始投资成本与合并对价账面价值之间的差额的处理。合并日长期股权投资的初始投资成本，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（资本溢价或股本溢价），资本公积（资本溢价或股本溢价）不足冲减的，冲减留存收益。

（3）合并日之前持有的股权投资，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，暂不进行会计处理，直至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所有者权益其他变动，暂不进行会计处理，直至处置该项投资时转入当期损益。其中，处置后的剩余股权采用成本法或权益法核算的，其他综合收益和其他所有者权益应按比例结转，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应全部结转。

(4) 在合并财务报表中的会计处理见本附注三、(六)。

2、非同一控制下企业合并

参与合并的各方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。

购买方在购买日对作为企业合并对价付出的资产、发生或承担的负债按照公允价值计量。公允价值与其账面价值的差额，计入当期损益。

购买方在购买日对合并成本进行分配，确认所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。

购买方对合并成本大于合并中取得的被购买方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差额，经复核后，计入当期损益。

企业合并中取得的被购买方除无形资产外的其他各项资产（不仅限于被购买方原已确认的资产），其所带来的经济利益很可能流入本公司且公允价值能够可靠计量的，单独确认并按公允价值计量；公允价值能够可靠计量的无形资产，单独确认为无形资产并按公允价值计量；取得的被购买方除或有负债以外的其他各项负债，履行有关义务很可能导致经济利益流出本公司且公允价值能够可靠计量的，单独确认并按照公允价值计量；取得的被购买方或有负债，其公允价值能可靠计量的，单独确认为负债并按照公允价值计量。

对合并中取得的被购买方资产进行初始确认时，对被购买方拥有的但在其财务报表中未确认的无形资产进行充分辨认和合理判断，满足以下条件之一的，应确认为无形资产：（1）源于合同性权利或其他法定权利；（2）能够从被购买方中分离或者划分出来，并能单独或与相关合同、资产和负债一起，用于出售、转移、授予许可、租赁或交换。

购买方在企业合并中取得的被购买方的可抵扣暂时性差异，在购买日不符合递延所得税资产确认条件的，不予以确认。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，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，计入当期损益。

非同一控制下企业合并，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；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。

购买方通过多次交易分步实现非同一控制下企业合并的，属于“一揽子交易”的，本公司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，作为改按成本法核算的初始投资成本；购买日之前持有的被购买方的股权投资因采用权益法核算而确认的其他综合收益，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，在处置该项投资时转入处置期间的当期损益。其中，处置后的剩余股权根据长期股权投资准则采用成本法或权益法核算的，其他综合收益和其他所有者权益应按比例结转，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应全部结转。在合并财务报表中的会计处理见本附注三、(六)。

购买日之前持有的股权投资，采用金融工具确认和计量准则进行会计处理的，将该股权投资

的公允价值加上新增投资成本之和，作为改按成本法核算的初始投资成本，原持有股权的公允价值与账面价值的差额与原计入其他综合收益的累计公允价值变动全部转入改按成本法核算的当期投资损益。

3、将多次交易事项判断为一揽子交易的判断标准

本公司将多次交易事项判断为一揽子交易的判断标准如下：

- (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) 一项交易单独考虑时是不经济的，但是和其他交易一并考虑时是经济的。

(六) 合并财务报表的编制方法

本公司合并财务报表的合并范围以控制为基础确定，控制是指投资方拥有被投资方的权力，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其回报金额。相关活动，是指对被投资方的回报产生重大影响的活动。

被投资方的相关活动根据具体情况进行判断，通常包括商品或劳务的销售和购买、金融资产的管理、资产的购买和处置、研究与开发活动以及融资活动等。

在综合考虑被投资方的设立目的、被投资方的相关活动以及如何对相关活动作出决策、本公司享有的权利是否使其有能力主导被投资方的相关活动、是否通过参与被投资方的相关活动而享有可变回报、是否有能力运用对被投资方的权力影响其回报金额以及与其他方的关系等基础上对是否控制被投资方进行判断。一旦相关事实和情况的变化导致控制所涉及的相关要素发生变化的，将进行重新评估。

在判断是否拥有对被投资方的权力时，仅考虑与被投资方相关的实质性权利，包括自身所享有的实质性权利以及其他方所享有的实质性权利。

本公司以自身和子公司的财务报表为基础，根据其他有关资料将整个企业集团视为一个会计主体，依据相关企业会计准则的确认、计量和列报要求，已按照统一的会计政策及会计期间，反映企业集团整体财务状况、经营成果和现金流量。合并程序具体包括：合并母公司与子公司的资产、负债、所有者权益、收入、费用和现金流等项目；抵销母公司对子公司的长期股权投资与母公司在子公司所有者权益中所享有的份额；抵销母公司与子公司、子公司相互之间发生的内部交易的影响，内部交易表明相关资产发生减值损失的，全额确认该部分损失；站在企业集团角度对特殊交易事项予以调整。

子公司所有者权益中不属于母公司的份额，作为少数股东权益，在合并资产负债表中所有者权益项目下以“少数股东权益”项目列示。

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。子公司当期综合收益中属于少数股东权益的份额，在合并利润表中综合收益总额项目下以“归属于少数股东的综合收益总额”项目列示。

子公司少数股东分担的当期亏损超过了少数股东在该子公司期初所有者权益中所享有的份额的，其余额仍冲减少数股东权益。

向子公司出售资产所发生的未实现内部交易损益，全额抵销“归属于母公司所有者的净利润”。子公司向母公司出售资产所发生的未实现内部交易损益，按照母公司对该子公司的分配比

例在“归属于母公司所有者的净利润”和“少数股东损益”之间分配抵销。子公司之间出售资产所发生的未实现内部交易损益，按照母公司对出售方子公司的分配比例在“归属于母公司所有者的净利润”和“少数股东损益”之间分配抵销。

本公司在报告期内因同一控制下企业合并增加的子公司以及业务，编制合并报表时，调整合并资产负债表的期初数，将该子公司以及业务合并当期期初至报告期末的收入、费用、利润纳入合并利润表，现金流量纳入合并现金流量表，同时对比较报表的相关项目进行调整，视同合并后的报告主体自最终控制方开始控制时点起一直存在。

本公司在报告期内因非同一控制下企业合并或其他方式增加的子公司以及业务，编制合并资产负债表时，不调整合并资产负债表的期初数，将该子公司以及业务购买日至报告期末的收入、费用、利润、现金流量纳入合并利润表和合并现金流量表。

本公司在报告期内处置子公司以及业务，编制合并资产负债表时，不调整合并资产负债表的期初数，该子公司以及业务期初至处置日的收入、费用、利润纳入合并利润表，现金流量纳入合并现金流量表。

母公司购买子公司少数股东拥有的子公司股权，在合并财务报表中，因购买少数股权新取得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（资本溢价或股本溢价），资本公积不足冲减的，调整留存收益。

通过多次交易分步实现的同一控制下企业合并，不属于“一揽子交易”的，取得控制权日，合并方在达到合并之前持有的长期股权投资，在取得日与合并方与被合并方同处于同一方最终控制之日孰晚日与合并日之间已确认有关损益、其他综合收益和其他所有者权益变动，分别冲减比较报表期间的期初留存收益或当期损益。

通过多次交易分步实现非同一控制下企业合并，不属于“一揽子交易”的，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权益法核算下的其他综合收益等的，与其相关的其他综合收益等转为购买日所属当期收益。由于被投资方重新计量设定收益计划净负债或资产变动而产生的其他综合收益除外。

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，在合并财务报表中，处置价款与处置长期股权投资相对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（资本溢价或股本溢价），资本公积不足冲减的，调整留存收益。

因处置部分股权投资等原因丧失了对被投资方的控制权的，在编制合并财务报表时，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或合并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，同时冲减商誉。与原有子公司股权投资相关的其他综合收益等，在丧失控制权时转为当期投资收益。

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，如果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。

合并所有者权益变动表根据合并资产负债表和合并利润表编制。

（七）合营安排的分类及共同经营的会计处理方法

合营安排指一项由两个或两个以上的参与方共同控制的安排。共同控制，是指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。在判断是否存在共同控制时，应该首先判断所有参与方或参与方组合是否集体控制该安排，其次判断该安排相关活动的决策是否必须经过这些集体控制该安排的参与方一致同意。

本公司根据在合营安排中享有的权利和承担的义务确定合营安排的分类。合营安排分为共同经营和合营企业。

共同经营，是指合营方享有该安排相关资产且承担该安排相关负债的合营安排。本公司确认其与共同经营中利益份额相关的下列项目，并按照相关企业会计准则的规定进行会计处理：

- 1、确认单独所持有的资产，以及按其份额确认共同持有的资产；
- 2、确认单独所承担的负债，以及按其份额确认共同承担的负债；
- 3、确认出售其享有的共同经营产出份额所产生的收入；
- 4、按其份额确认共同经营因出售产出所产生的收入；
- 5、确认单独所发生的费用，以及按其份额确认共同经营发生的费用。

（八）现金及现金等价物的确定标准

在编制现金流量表时，将库存现金以及可以随时用于支付的存款确认为现金。现金等价物是指持有的期限短（一般是指从购买日起三个月内到期）、流动性强、易于转换为已知金额现金及价值变动风险很小的投资。

（九）外币业务和外币报表折算

1、外币业务折算

外币业务采用交易发生日的即期汇率作为折算汇率将外币金额折合成人民币记账。

外币货币性项目余额按资产负债表日即期汇率折算，由此产生的汇兑差额，除属于与购建符合资本化条件的资产相关的外币专门借款产生的汇兑差额按照借款费用资本化的原则处理外，均计入当期损益。以历史成本计量的外币非货币性项目，仍采用交易发生日的即期汇率折算，不改变其记账本位币金额。以公允价值计量的外币非货币性项目，采用公允价值确定日的即期汇率折算，由此产生的汇兑差额计入当期损益或其他综合收益。

2、外币报表折算

资产负债表中的资产和负债项目，采用资产负债表日的即期汇率折算；所有者权益项目除“未分配利润”项目外，其他项目采用发生时的即期汇率折算。利润表中的收入和费用项目，采用交易发生日的即期汇率折算。按照上述折算产生的外币财务报表折算差额，在其他综合收益项目下单独列示“外币报表折算差额”项目。

处置境外经营时，将资产负债表中其他综合收益项目下列示的、与该境外经营相关的外币财务报表折算差额，自其他综合收益项目转入处置当期损益；部分处置境外经营的，按处置的比例计算处置部分的外币财务报表折算差额，转入处置当期损益。

（十）金融工具

金融工具包括金融资产、金融负债或权益工具。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。

1、金融工具的分类

管理层按照取得持有金融资产和承担金融负债的目的，将其划分为：以公允价值计量且其变动计入当期损益的金融资产或金融负债，包括交易性金融资产或金融负债和直接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；持有至到期投资；应收款项；可供出售金融资产；其他金融负债等。

2、金融工具的确认依据和计量方法

(1) 以公允价值计量且其变动计入当期损益的金融资产（金融负债）

取得时以公允价值（扣除已宣告但尚未发放的现金股利或已到付息期但尚未领取的债券利息）作为初始确认金额，相关的交易费用计入当期损益。

持有期间将取得的利息或现金股利确认为投资收益，期末将公允价值变动计入当期损益。

处置时，其公允价值与初始入账金额之间的差额确认为投资收益，同时调整公允价值变动损益。

(2) 持有至到期投资

取得时按公允价值（扣除已到付息期但尚未领取的债券利息）和相关交易费用之和作为初始确认金额。

持有期间按照摊余成本和实际利率计算确认利息收入，计入投资收益。实际利率在取得时确定，在该预期存续期间或适用的更短期间内保持不变。

处置时，将所取得价款与该投资账面价值之间的差额计入投资收益。

于到期日前出售或重分类了较大金额的持有至到期类投资，则将该类投资的剩余部分重分类为可供出售金融资产，且在本会计期间或以后两个完整会计年度内不再将任何金融资产分类为持有至到期，但下列情况除外：出售日或重分类日距离该项投资到期日或赎回日较近（如到期前三个月内），市场利率变化对该项投资的公允价值没有显著影响；根据合同约定的定期偿付或提前还款方式收回该投资几乎所有初始本金后，将剩余部分予以出售或重分类；出售或重分类是由于企业无法控制、预期不会重复发生且难以合理预计的独立事项所引起。

经公司董事会（或股东会）决议决定，该“较大金额”为： 元以上。

(3) 应收款项

对外销售商品或提供劳务形成的应收债权，以及持有的其他企业的不包括在活跃市场上有报价的债务工具的债权，包括应收账款、其他应收款、应收票据、预付账款、长期应收款等，以向购货方应收的合同或协议价款作为初始确认金额；具有融资性质的，按其现值进行初始确认。

收回或处置时，将取得的价款与该应收款项账面价值之间的差额计入当期损益。

(4) 可供出售金融资产

取得时按公允价值（扣除已宣告但尚未发放的现金股利或已到付息期但尚未领取的债券利息）和相关交易费用之和作为初始确认金额。

持有期间将取得的利息或现金股利确认为投资收益。期末以公允价值计量且将公允价值变动计入其他综合收益。对被投资单位不具有控制、共同控制或重大影响并且在活跃市场中没有报价、公允价值不能可靠计量的股权投资，作为可供出售金融资产列报，按成本进行后续计量。

处置时，将取得的价款与该金融资产账面价值之间的差额，计入投资损益；同时，将原其他

综合收益的公允价值变动累计额对应处置部分的金额转出，计入投资损益。

(5) 其他金融负债

按其公允价值和相关交易费用之和作为初始确认金额。采用摊余成本进行后续计量。

3、金融资产转移的确认依据和计量方法

发生金融资产转移时，如已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，则终止确认该金融资产；如保留了金融资产所有权上几乎所有的风险和报酬的，则不终止确认该金融资产。

在判断金融资产转移是否满足上述金融资产终止确认条件时，采用实质重于形式的原则。公司将金融资产转移区分为金融资产整体转移和部分转移。金融资产整体转移满足终止确认条件的，将下列两项金额的差额计入当期损益：

(1) 所转移金融资产的账面价值；

(2) 因转移而收到的对价，与原直接计入所有者权益的公允价值变动累计额（涉及转移的金融资产为可供出售金融资产的情形）之和。

金融资产部分转移满足终止确认条件的，将所转移金融资产整体的账面价值，在终止确认部分和未终止确认部分之间，按照各自的相对公允价值进行分摊，并将下列两项金额的差额计入当期损益：

(1) 终止确认部分的账面价值；

(2) 终止确认部分的对价，与原直接计入所有者权益的公允价值变动累计额中对应终止确认部分的金额（涉及转移的金融资产为可供出售金融资产的情形）之和。

金融资产转移不满足终止确认条件的，继续确认该金融资产，所收到的对价确认为一项金融负债。

4、金融负债终止确认条件

金融负债的现时义务全部或部分已经解除的，则终止确认该金融负债或其一部分；本公司若与债权人签定协议，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，则终止确认现存金融负债，并同时确认新金融负债。

对现存金融负债全部或部分合同条款作出实质性修改的，则终止确认现存金融负债或其一部分，同时将修改条款后的金融负债确认为一项新金融负债。

金融负债全部或部分终止确认时，终止确认的金融负债账面价值与支付对价（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。

若回购部分金融负债的，在回购日按照继续确认部分与终止确认部分的相对公允价值，将该金融负债整体的账面价值进行分配。分配给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。

5、金融资产和金融负债公允价值的确定方法

采用公允价值计量的金融资产和金融负债全部直接参考活跃市场中的报价

6、金融资产（不含应收款项）减值

除以公允价值计量且其变动计入当期损益的金融资产外，于资产负债表日对金融资产的账面价值进行检查，如果有客观证据表明某项金融资产发生减值的，计提减值准备。

(1) 可供出售金融资产的减值

期末如果可供出售金融资产的公允价值发生较大幅度下降，或在综合考虑各种相关因素后，预期这种下降趋势属于非暂时性的，就认定其已发生减值，将原直接计入其他综合收益的公允价值下降形成的累计损失一并转出，确认减值损失。

对于可供出售金融资产由于下列损失事项影响其预计未来现金流量减少，并且能够可靠计量，将认定其发生减值：

- ①债务人发生严重财务困难；
- ②债务人违反了合同条款，如偿付利息或本金发生违约或逾期；
- ③本公司出于经济或法律等方面因素的考虑，对发生财务困难的债务人做出让步；
- ④债务人很可能倒闭或进行其他财务重组；
- ⑤因发行方发生重大财务困难，该金融资产无法在活跃市场继续交易；
- ⑥权益工具发行方经营所处的技术、市场、经济或法律环境等发生重大不利变化，使权益工具投资人可能无法收回投资成本；
- ⑦权益工具投资的公允价值发生严重或非暂时性下跌。

认定其已发生减值，将原直接计入所有者权益的公允价值下降形成的累计损失一并转出，确认减值损失。对于已确认减值损失的可供出售债务工具，在随后的会计期间公允价值已上升且客观上与确认原减值损失确认后发生的事项有关的，原确认的减值损失予以转回，计入当期损益。可供出售权益工具投资发生的减值损失，不得通过损益转回。

(2) 持有至到期投资的减值准备

持有至到期投资减值损失的计量比照应收款项减值损失计量方法处理。

(十一) 应收款项

应收款项包括应收账款、其他应收款。

期末如果有客观证据表明应收款项发生减值，则将其账面价值减记至可收回金额，减记的金额确认为资产减值损失，计入当期损益。可收回金额是通过对其未来现金流量（不包括尚未发生的信用损失）按原实际利率折现确定，并考虑相关担保物的价值（扣除预计处置费用等）。原实际利率是初始确认该应收款项时计算确定的实际利率。短期应收款项的预计未来现金流量与其现值相差很小，在确定相关减值损失时，不对其预计未来现金流量进行折现。

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：	单项金额重大的判断依据或金额标准：包括关联方往来款项在内应收账款单笔金额超过 1000 万元、其他应收款单笔金额超过 500 万元
单项金额重大并单项计提坏账准备的计提方法：	期末对于单项金额重大的应收款项（包括应收账款、其他应收款）单独进行减值测试。如有客观证据表明其发生了减值的，根据其未来现金流量现值低于其账面价值的差额，确认减值损失，计提坏账准备。

2、按信用风险特征组合计提坏账准备应收款项

对于单项金额非重大的应收款项，与经单独测试后未减值的应收款项一起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账款组合的实际损失率为基础，结合现时情况确定本期各项组合计提坏账准备的比例，据此计算本期应计提的坏账准备。

确定组合的依据	
组合 1：账龄组合	以应收款项的账龄为信用风险特征划分组合
组合 2：无风险组合	以应收款项的债务单位（特定单位、关联方及政府往来）为信用风险特征划分组合
按组合计提坏账准备的计提方法	
组合 1：账龄组合	账龄分析法
组合 2：无风险组合	不计提坏账准备

组合中，采用账龄分析法计提坏账准备的：

账龄	应收账款计提比例（%）	其他应收款计提比例（%）
1 年以内（含 1 年）	1	1
1—2 年	5	5
2—3 年	10	10
3—4 年	20	20
4—5 年	50	50
5 年以上	100	100

3、单项金额不重大但单独计提坏账准备的应收款项

单项计提坏账准备的理由	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；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包括备用金性质的应收款项。在资产负债表日其他单项金额不重大的应收款项存在明显减值迹象。
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，确认减值损失，计提坏账准备。

（十二）存货

1、存货的分类

存货分类为：在途物资、原材料、周转材料、库存商品、在产品、发出商品、委托加工物资、消耗性生物资产等。

2、取得和发出存货的计价方法

取得存货时按照成本进行计量。存货成本包括采购成本、加工成本和其他成本。

存货发出时按先进先出法计价。

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

期末对存货进行全面清查后，按存货的成本与可变现净值孰低提取或调整存货跌价准备。

产成品、库存商品和用于出售的材料等直接用于出售的商品存货，在正常生产经营过程中，以该存货的估计售价减去估计的销售费用和相关税费后的金额，确定其可变现净值；需要经过加工的材料存货，在正常生产经营过程中，以所生产的产成品的估计售价减去至完工时估计将要发

生的成本、估计的销售费用和相关税费后的金额，确定其可变现净值；为执行销售合同或者劳务合同而持有的存货，其可变现净值以合同价格为基础计算，若持有存货的数量多于销售合同订购数量的，超出部分的存货的可变现净值以一般销售价格为基础计算。

期末按照单个存货项目计提存货跌价准备；但对于数量繁多、单价较低的存货，按照存货类别计提存货跌价准备；与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，则合并计提存货跌价准备。

以前减记存货价值的影响因素已经消失的，减记的金额予以恢复，并在原已计提的存货跌价准备金额内转回，转回的金额计入当期损益。

4、存货的盘存制度

采用永续盘存制。

5、低值易耗品和包装物的摊销方法

(1) 低值易耗品采用一次转销法；

(2) 包装物采用一次转销法。

(十三) 持有待售资产

1、持有待售的非流动资产或处置组的确认标准

公司主要通过出售（包括具有商业实质的非货币性资产交换，下同）而非持续使用一项非流动资产或处置组收回其账面价值的，应当将其划分为持有待售类别。

公司将同时满足下列条件的非流动资产或处置组划分为持有待售类别：

(1) 根据类似交易中出售此类资产或处置组的惯例，在当前状况下即可立即出售；

(2) 出售极可能发生，即公司已经就一项出售计划作出决议且获得确定的购买承诺，预计出售将在一年内完成。有关规定要求公司相关权力机构或者监管部门批准后方可出售的，已经获得批准。

确定的购买承诺，是指公司与其他方签订的具有法律约束力的购买协议，该协议包含交易价格、时间和足够严厉的违约惩罚等重要条款，使协议出现重大调整或者撤销的可能性极小。

2、持有待售的非流动资产或处置组的会计处理方法

公司初始计量或在资产负债表日重新计量持有待售的非流动资产或处置组时，其账面价值高于公允价值减去出售费用后的净额的，将账面价值减记至公允价值减去出售费用后的净额，减记的金额确认为资产减值损失，计入当期损益，同时计提持有待售资产减值准备。

(1) 对于持有待售的固定资产，应当调整该项固定资产的预计净残值，使该项固定资产的预计净残值能够反映其公允价值减去处置费用后的金额，但不得超过符合持有待售条件时该项固定资产的原账面价值，原账面价值高于调整后预计净残值的差额，应作为资产减值损失计入当期损益。持有待售的固定资产不计提折旧，按照账面价值与公允价值减去处置费用后的净额孰低进行计量。

(2) 对于持有待售的联营企业或合营企业的权益性投资，自划分至持有待售之日起，停止按权益法核算。

(3) 对于出售的对子公司的投资将导致本公司丧失对子公司的控制权的，无论出售后本公司是否保留少数股东权益，本公司在拟出售的对子公司投资满足持有待售类别划分条件时，在母公

司个别财务报表中将子公司投资整体划分为持有待售类别，在合并财务报表中将子公司所有资产和负债划分为持有待售类别。

3、不再满足持有待售确认条件时的会计处理

(1) 某项资产或处置组被划归为持有待售，但后来不再满足持有待售固定资产确认条件的，本公司停止将其划归为持有待售，并按照下列两项金额中较低者计量：

①该资产或处置组被划归为持有待售之前的账面价值，按照其假定在没有被划归为持有待售的情况下原应确认的折旧、摊销或减值进行调整后的金额；

②决定不再出售之日的再收回金额。

(2) 已划分为持有待售的对联营企业或合营企业的权益性投资，不再符合持有待售资产分类条件的，本公司从其被分类为持有待售资产之日起采用权益法进行追溯调整。

4、其他持有待售非流动资产的会计处理

符合持有待售条件的无形资产等其他非流动资产，比照上述原则处理，此处所指其他非流动资产不包括递延所得税资产、职工薪酬形成的资产、《企业会计准则第 22 号——金融工具确认和计量》规范的金融资产、以公允价值计量的投资性房地产和生物资产、保险合同中产生的合同权利。

(十四) 长期股权投资

1、长期股权投资的分类及其判断依据

(1) 长期股权投资的分类

长期股权投资分为三类，即是指投资方对被投资单位实施控制、重大影响的权益性投资，以及对其合营企业的权益性投资。

(2) 长期股权投资类别的判断依据

① 确定对被投资单位控制的依据详见本附注三、(六)；

②确定对被投资单位具有重大影响的依据：

重大影响，是指对一个企业的财务和经营决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。

公司通常通过以下一种或几种情形判断是否对被投资单位具有重大影响：

A.在被投资单位的董事会或类似权力机构中派有代表。在这种情况下，由于在被投资单位的董事会或类似权力机构中派有代表，并相应享有实质性的参与决策权，投资方可以通过该代表参与被投资单位财务和经营政策的制定，达到对被投资单位施加重大影响。

B.参与被投资单位财务和经营政策制定过程。这种情况下，在制定政策过程中可以为其自身利益提出建议和意见，从而可以对被投资单位施加重大影响。

C.与被投资单位之间发生重要交易。有关的交易因对被投资单位的日常经营具有重要性，进而一定程度上可以影响到被投资单位的生产经营决策。

D.向被投资单位派出管理人员。在这种情况下，管理人员有权力主导被投资单位的相关活动，从而能够对被投资单位施加重大影响。

E.向被投资单位提供关键技术资料。因被投资单位的生产经营需要依赖投资方的技术或技术

资料，表明投资方对被投资单位具有重大影响。

公司在判断是否对被投资方具有重大影响时，不限于是否存在上述一种或多种情形，还需要综合考虑所有事实和情况来做出综合的判断。

投资方对被投资单位具有重大影响的权益性投资，即对联营企业投资。

③确定被投资单位是否为合营企业的依据：

本公司的合营企业是指本公司仅对合营安排的净资产享有权利。

合营安排的定义、分类以及共同控制的判断标准详见本附注三、（七）。

2、长期股权投资初始成本的确定

（1）企业合并形成的长期股权投资

同一控制下的企业合并：公司以支付现金、转让非现金资产或承担债务方式以及以发行权益性证券作为合并对价的，在合并日按照取得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合并对价之间的差额，调整资本公积（资本溢价或股本溢价）；资本公积（资本溢价或股本溢价）不足冲减的，调整留存收益。合并方以发行权益性证券作为合并对价的，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（资本溢价或股本溢价）；资本公积（资本溢价或股本溢价）不足冲减的，调整留存收益。

非同一控制下的企业合并：公司按照购买日确定的合并成本作为长期股权投资的初始投资成本。合并成本为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。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。通过多次交易分步实现的非同一控制下企业合并，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。本公司将合并协议约定的或有对价作为企业合并转移对价的一部分，按照其在购买日的公允价值计入企业合并成本。

合并方或购买方为企业合并而发生的审计、法律服务、评估咨询等中介费用以及其他相关管理费用用于发生时计入当期损益。

（2）其他方式取得的长期股权投资

以支付现金方式取得的长期股权投资，按照实际支付的购买价款作为初始投资成本。初始投资成本包括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。

以发行权益性证券取得的长期股权投资，按照发行权益性证券的公允价值作为初始投资成本。

在非货币性资产交换具备商业实质和换入资产或换出资产的公允价值能够可靠计量的前提下，非货币性资产交换换入的长期股权投资以换出资产的公允价值为基础确定其初始投资成本，除非有确凿证据表明换入资产的公允价值更加可靠；不满足上述前提的非货币性资产交换，以换出资产的账面价值和应支付的相关税费作为换入长期股权投资的初始投资成本。

通过债务重组取得的长期股权投资，其初始投资成本包括放弃债权的公允价值和可直接归属于该资产的税金等其他成本。

3、长期股权投资的后续计量及损益确认方法

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。

采用成本法核算的长期股权投资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。被投资单位宣告分派的现金股利或利润，确认为当期投资收益。

对合营企业和联营企业的长期股权投资，采用权益法核算。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差额，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差额，计入当期损益，同时调整长期股权投资的成本。

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；本公司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；本公司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可辨认净资产的公允价值为基础，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等。

本公司确认被投资单位发生的净亏损，以长期股权投资的账面价值以及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，本公司负有承担额外损失义务的除外。

被投资单位以后实现净利润的，本公司在其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。

本公司计算确认应享有或应分担被投资单位的净损益时，与联营企业、合营企业之间发生的未实现内部交易损益按照应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收益。

本公司与被投资单位发生的未实现内部交易损失，按照《企业会计准则第 8 号——资产减值》等的有关规定属于资产减值损失的，全额确认交易损失。

本公司因追加投资等原因能够对被投资单位施加重大影响或实施共同控制但不构成控制的，按照《企业会计准则第 22 号——金融工具确认和计量》确定的原持有的股权投资的公允价值加上新增投资成本之和，作为改按权益法核算的初始投资成本。原持有的股权投资分类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改按权益法核算的当期损益。

本公司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《企业会计准则第 22 号——金融工具确认和计量》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。

本公司因处置部分权益性投资等原因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《企业会计准则第 22 号——金融工具确认和计量》的有关规定进行会计处理。

处置长期股权投资，其账面价值与实际取得价款之间的差额，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。

（十五）投资性房地产

1、投资性房地产的初始计量

本公司投资性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和已出租的建筑物。

本公司的投资性房地产按其成本进行初始计量，外购投资性房地产的成本包括购买价款、相关税费和可直接归属于该资产的其他支出；自行建造投资性房地产的成本，由建造该项资产达到预定可使用状态前所发生的必要支出构成。

2、投资性房地产的后续计量

本公司采用公允价值模式对投资性房地产进行后续计量。

（1）选择公允价值模式计量的依据

公司采用公允价值模式计量投资性房地产，应当同时满足以下两个条件：

①投资性房地产所在地有活跃的房地产交易市场；

②公司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。

本公司目前投资性房地产项目主要位于 XX 市 XX 核心区，主要为成熟商业区的商业物业，有较为活跃的房地产交易市场，可以取得同类或类似房地产的市场价格及其他相关信息，采用公允价值对投资性房地产进行后续计量具有可操作性。

（2）公允价值确定原则

公司针对不同物业市场交易情况，采用以下不同的估价方法：

①公司投资性房地产本身有交易价格时，以公司投资性房地产管理部门商业物业经营部提供的同期成交价格或报价为基础，确定其公允价值。

②公司投资性房地产本身无交易价格时，由公司投资性房地产管理部门商业物业经营部进行市场调研，并出具市场调研报告，以市场调研报告的估价结论确定其公允价值。必要时，公司聘请具有相关资质的评估机构，对本公司投资性房地产采用收益法并参考公开市场价格进行公允价值评估，以其评估金额作为本公司投资性房地产的公允价值。

③公司估价时，应从投资性房地产所在城市的政府房地产管理部门、权威机构，或具有相关资质的房地产中介服务机构获取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做出合理的估计。

④对本身无交易价格的投资性房地产，参照市场上至少三个以上类似可比项目物业的交易价格，并按照影响标的物业价值的相关因素进行价格修正，以此为基础，最终确定标的物业的公允价值。公司对可比项目估价时应编制调整因素标准表，根据投资性房地产的类型，分别商圈位置、周边交通便捷度、商业繁华度、房屋状况、设备及装修、交易时间、交易方式、所在楼层、地理位置、人文价值、周边环境等确定调整系数范围。

（3）本公司对投资性房地产的公允价值进行估计时采用的关键假设和主要不确定因素

①假设投资性房地产在公开市场上进行交易且将按现有用途继续使用；

②国家宏观经济政策和所在地区社会经济环境、税收政策、信贷利率、汇率等未来不会发生重大变化；

③无可能对企业经营产生重大影响的其他不可抗力及不可预见因素。

(4) 对投资性房地产的公允价值的期末确认及会计核算处理程序

①投资性房地产公允价值的首次确认：

对于公司自行建造、外购、自用房地产等首次转换为投资性房产的，首次转换日公允价值小于账面价值的差额，借记公允价值变动损益，公允价值大于账面价值的差额贷记其他综合收益。

②转换日后投资性房地产公允价值的后续计量：

采用公允价值模式计量的，不对投资性房地产计提折旧或进行摊销。公司以单项投资性房地产为基础估计其期末公允价值。对于单项投资性房地产的期末公允价值发生大幅变动时，以资产负债表日单项投资性房地产的公允价值为基础调整其账面价值，单项投资性房地产的期末公允价值与期初公允价值之间的差额计入当期损益，同时考虑递延所得税资产或递延所得税负债的影响。

(十六) 固定资产

1、固定资产确认条件

固定资产指为生产商品、提供劳务、出租或经营管理而持有，并且使用寿命超过一个会计年度的有形资产。固定资产分类为：房屋及建筑物、机器设备、电子设备、运输设备、其他设备。固定资产在同时满足下列条件时予以确认：(1) 与该固定资产有关的经济利益很可能流入企业；(2) 该固定资产的成本能够可靠地计量。

2、折旧方法

固定资产折旧采用年限平均法分类计提，根据固定资产类别、预计使用寿命和预计净残值率确定折旧率。如固定资产各组成部分的使用寿命不同或者以不同方式为企业经济利益，则选择不同折旧率或折旧方法，分别计提折旧。

类别	折旧年限（年）	残值率（%）	年折旧率（%）
房屋及建筑物	20	5	4.75
机器设备	10-15	5	6.33-9.5
运输设备	5	5	19
电子设备	3-5	5	19-31.67
其他设备	20	5	4.75

3、融资租入固定资产的认定依据、计价方法、折旧方法

公司与租赁方所签订的租赁协议条款中规定了下列条件之一的，确认为融资租入资产：

- (1) 租赁期满后租赁资产的所有权归属于本公司；
- (2) 公司具有购买资产的选择权，购买价款远低于行使选择权时该资产的公允价值；
- (3) 租赁期占所租赁资产使用寿命的大部分；
- (4) 租赁开始日的最低租赁付款额现值，与该资产的公允价值不存在较大的差异。

在承租开始日，将租赁资产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，其差额作为未确认的融资费。

融资租赁方式租入的固定资产，能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。

（十七）在建工程

在建工程以立项项目分类核算。

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。

（十八）借款费用

1、借款费用资本化的确认原则

借款费用，包括借款利息、折价或者溢价的摊销、辅助费用以及因外币借款而发生的汇兑差额等。

公司发生的借款费用，可直接归属于符合资本化条件的资产的购建或者生产的，予以资本化，计入相关资产成本；其他借款费用，在发生时根据其发生额确认为费用，计入当期损益。

符合资本化条件的资产，是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者可销售状态的固定资产、投资性房地产和存货等资产。

借款费用同时满足下列条件时开始资本化：

（1）资产支出已经发生，资产支出包括为购建或者生产符合资本化条件的资产而以支付现金、转移非现金资产或者承担带息债务形式发生的支出；

（2）借款费用已经发生；

（3）为使资产达到预定可使用或者可销售状态所必要的购建或者生产活动已经开始。

2、借款费用资本化期间

资本化期间，指从借款费用开始资本化时点到停止资本化时点的期间，借款费用暂停资本化的期间不包括在内。

当购建或者生产符合资本化条件的资产达到预定可使用或者可销售状态时，借款费用停止资本化。

当购建或者生产符合资本化条件的资产中部分项目分别完工且可单独使用时，该部分资产借款费用停止资本化。

购建或者生产的资产的各部分分别完工，但必须等到整体完工后才可使用或可对外销售的，在该资产整体完工时停止借款费用资本化。

3、借款费用暂停资本化期间

符合资本化条件的资产在购建或生产过程中发生的非正常中断、且中断时间连续超过 3 个月的，则借款费用暂停资本化；该项中断如是所购建或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必要的程序，则借款费用继续资本化。在中断期间发生的借款费用确认为当期损益，直至资产的购建或者生产活动重新开始后借款费用继续资本化。

4、借款费用资本化金额的计算方法

对于为购建或者生产符合资本化条件的资产而借入的专门借款，以专门借款当期实际发生的借款费用及其辅助费，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，来确定借款费用的资本化金额。

对于为购建或者生产符合资本化条件的资产而占用的一般借款，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，计算确定一般借款应予资本化的利息金额。资本化率根据一般借款加权平均利率计算确定。

借款存在折价或者溢价的，按照实际利率法确定每一会计期间应摊销的折价或者溢价金额，调整每期利息金额。

（十九）无形资产

1、无形资产的计价方法

（1）取得无形资产时按成本进行初始计量

外购无形资产的成本，包括购买价款、相关税费以及直接归属于使该项资产达到预定用途所发生的其他支出。购买无形资产的价款超过正常信用条件延期支付，实质上具有融资性质的，无形资产的成本以购买价款的现值为基础确定。

债务重组取得债务人用以抵债的无形资产，其入账价值包括放弃债权的公允价值和可直接归属于使该资产达到预定用途所发生的税金等其他成本；

在非货币性资产交换具备商业实质且换入资产或换出资产的公允价值能够可靠计量的前提下，非货币性资产交换换入的无形资产以换出资产的公允价值为基础确定其入账价值，除非有确凿证据表明换入资产的公允价值更加可靠；不满足上述前提的非货币性资产交换，以换出资产的账面价值和应支付的相关税费作为换入无形资产的成本，不确认损益。

以同一控制下的企业吸收合并方式取得的无形资产按被合并方的账面价值确定其入账价值；以非同一控制下的企业吸收合并方式取得的无形资产按公允价值确定其入账价值。

内部自行开发的无形资产，其成本包括：开发该无形资产时耗用的材料、劳务成本、注册费、在开发过程中使用的其他专利权和特许权的摊销以及满足资本化条件的利息费用，以及为使该无形资产达到预定用途前所发生的其他直接费用。

（2）后续计量

在取得无形资产时分析判断其使用寿命。

对于使用寿命有限的无形资产，在为企业带来经济利益的期限内按直线法摊销；无法预见无形资产为企业带来经济利益期限的，视为使用寿命不确定的无形资产，不予摊销。

2、使用寿命有限的无形资产的使用寿命估计情况

项目	预计使用寿命	依据
土地使用权	50 年	土地证载年限
技术转让权	20 年	企业预计带来收益的年限
软件	10 年	预计使用年限

每期末，对使用寿命有限的无形资产的使用寿命及摊销方法进行复核。

经复核，本年期末无形资产的使用寿命及摊销方法与以前估计未有不同。

3、使用寿命不确定的无形资产使用寿命复核

截至资产负债表日,本公司没有使用寿命不确定的无形资产

4、划分内部研究开发项目的研究阶段和开发阶段具体标准

内部研究开发项目的支出分为研究阶段支出和开发阶段支出。

研究阶段：为获取并理解新的科学或技术知识等而进行的独创性的有计划调查、研究活动的阶段。

开发阶段：在进行商业性生产或使用前，将研究成果或其他知识应用于某项计划或设计，以生产出新的或具有实质性改进的材料、装置、产品等活动的阶段。

5、开发阶段支出符合资本化的具体标准

内部研究开发项目开发阶段的支出，同时满足下列条件时确认为无形资产：

- (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。

开发阶段的支出，若不满足上列条件的，于发生时计入当期损益。研究阶段的支出，在发生时计入当期损益。

(二十) 长期资产减值

在每个资产负债表日判断长期股权投资、采用成本模式计量的投资性房地产、固定资产、在建工程、采用成本模式计量的生物性资产、油气资产使用寿命确定的无形资产等是否存在减值迹象，对存在减值迹象的，估计其可收回金额，可收回金额低于其账面价值的，将资产的账面价值减记至可收回金额，减记的金额确认相应的减值损失，计入当期损益，同时计提相应的减值准备。

资产可收回金额的估计，根据其公允价值减去处置费用后的净额与其预计未来现金流量的现值两者之间较高者确定。企业以单项资产为基础估计其可收回金额，在难以对单项资产可回收金额进行估计的情况下，以资产所属的资产组为基础确定资产组的可收回金额。

资产减值损失确认后，减值资产的折旧或者摊销费用在未来期间做相应调整，使资产在剩余寿命内，系统地分摊调整后的资产账面价值。

对于使用寿命不确定的无形资产、尚未达到使用状态的无形资以及合并所形成的商誉每年年度终了进行减值测试。

关于商誉减值测试，对于因企业合并形成的商誉的账面价值，自购买日起按照合理的方法分摊至相关的资产组；难以分摊至相关的资产组的，将其分摊至相关的资产组组合。在将商誉的账面价值分摊至相关的资产组或者资产组组合时，按照各资产组或者资产组组合的公允价值占相关资产组或者资产组组合公允价值总额的比例进行分摊。公允价值难以可靠计量的，按照各资产组或者资产组组合的账面价值占相关资产组或者资产组组合账面价值总额的比例进行分摊。

在对包含商誉的相关资产组或者资产组组合进行减值测试时，如与商誉相关的资产组或者资产组组合存在减值迹象的，先对不包含商誉的资产组或者资产组组合进行减值测试，计算可收回金额，并与相关账面价值相比较，确认相应的减值损失。再对包含商誉的资产组或者资产组组合进行减值测试，比较这些相关资产组或者资产组组合的账面价值（包括所分摊的商誉的账面价值部分）与其可收回金额，如相关资产组或者资产组组合的可收回金额低于其账面价值的，确认商誉的减值损失。

（二十一）长期待摊费用

对于已经发生但应由本期和以后各期负担的分摊期限在 1 年以上的各项费用，包括经营租入固定资产改良支出，作为长期待摊费用按预计受益年限分期摊销。如果长期待摊费用项目不能使以后会计期间受益的，则将其尚未摊销的摊余价值全部转入当期损益。

（二十二）职工薪酬

职工薪酬是指为获得职工提供的服务或解除劳动关系而给予的各种形式的报酬或补偿。包括短期薪酬、离职后福利、辞退福利和其他长期职工福利。

1、短期薪酬的会计处理方法

在职工为公司提供服务的会计期间，将实际发生的短期薪酬确认为负债，并计入当期损益或相关资产成本。

2、离职后福利的会计处理方法

离职后福利计划分类为设定提存计划和设定受益计划。

在职工为公司提供服务的会计期间，将根据设定提存计划计算的应缴存金额确认为负债，并计入当期损益或相关资产成本。根据设定提存计划，预期不会在职工提供相关服务的年度报告期结束后十二个月内支付全部应缴存金额的，根据资产负债表日与设定受益计划义务期限和币种相匹配的国债或活跃市场上的高质量公司债券的市场收益率，将全部应缴存金额以折现后的金额计量应付职工薪酬。

公司根据资产负债表日与设定受益计划义务期限和币种相匹配的国债或活跃市场上的高质量公司债券的市场收益率对所有设定受益计划义务予以折现，包括预期在职工提供服务的年度报告期间结束后的十二个月内支付的义务。

设定受益计划存在资产的，将设定受益计划义务现值减去设定受益计划资产公允价值所形成的赤字或盈余确认为一项设定受益计划净负债或净资产。设定受益计划存在盈余的，企业以设定受益计划的盈余和资产上限两项的孰低者计量设定受益计划净资产。其中，资产上限，是指企业可从设定受益计划退款或减少未来对设定受益计划缴存资金而获得的经济利益的现值。

报告期末，将设定受益计划产生的职工薪酬成本中的服务成本和设定受益计划净负债或净资产的利息净额部分计入当期损益或资产成本；重新计量设定受益计划净负债或净资产所产生的变动。计入其他综合收益，并且在后续会计期间不允许转回至损益，可以在权益范围内转移。

在设定受益计划下，在修改设定受益计划与确认相关重组费用或辞退福利孰早日将过去服务成本确认为当期费用。

企业在设定受益计划结算时，确认结算利得或损失。该利得或损失是在结算日确定的设定受益计划义务现值与结算价格的差。

3、辞退福利的会计处理方法

在下列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：

- (1) 企业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；
- (2) 企业确认与涉及支付辞退福利的重组相关的成本或费用时。

辞退福利预期在其确认的年度报告期结束后十二个月内完全支付的，适用短期薪酬的相关规定；辞退福利预期在年度报告期结束后十二个月内不能完全支付的，适用其他长期职工福利的有关规定。

4、其他长期职工福利的会计处理方法

其他长期职工福利，符合设定提存计划条件的，根据上述 2、处理。不符合设定提存计划的，适用关于设定受益计划的有关规定，确认和计量其他长期职工福利净负债或净资产。在报告期末，将其他长期职工福利中的服务成本、净负债或净资产的利息净额、重新计量其他长期职工福利净负债或净资产所产生的变动的总净额计入当期损益或相关资产成本。

(二十三) 收入

1、销售商品收入的确认

公司已将商品所有权上的主要风险和报酬转移给购买方；既没有保留与所有权相联系的继续管理权，也没有对已售出的商品实施有效控制；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，确认商品销售收入实现。

销售商品收入金额，按照从购货方已收或应收的合同或协议价款确定，但已收或应收的合同或协议价款不公允的除外；合同或协议价款的收取采用递延方式，实质上具有融资性质的，按照应收的合同或协议价款的公允价值确定。应收的合同或协议价款与其公允价值之间的差额，在合同或协议期间内采用实际利率法进行摊销，计入当期损益。

2、提供劳务收入的确认

在资产负债表日提供劳务交易的结果能够可靠估计的，采用完工百分比法确认提供劳务收入。提供劳务交易的完工进度，依据已完工作的测量确定。

在资产负债表日提供劳务交易结果不能够可靠估计的，分别下列情况处理：

(1) 已发生的劳务成本预计能够得到补偿，应按已经发生的劳务成本金额确认提供劳务收入，并按相同金额结转劳务成本。

(2) 已经发生的劳务成本预计不能够得到补偿的，将已经发生的劳务成本计入当期损益，不确认提供劳务收入。

3、让渡资产使用权收入的确认

与交易相关的经济利益很可能流入企业，收入的金额能够可靠地计量时。分别下列情况确定让渡资产使用权收入金额：

- (1) 利息收入金额，按照他人使用本企业货币资金的时间和实际利率计算确定。
- (2) 使用费收入金额，按照有关合同或协议约定的收费时间和方法计算确定。

4、建造合同收入的确认

(1) 建造合同的结果能够可靠估计

在资产负债表日，建造合同的结果能够可靠估计的，根据完工百分比法确认合同收入和费用。

完工百分比法，是指根据合同完工进度确认收入与费用的方法。合同完工进度采用累计实际发生的合同成本占合同预计总成本的比例确定。确定。

固定造价合同的结果能够可靠估计确定依据为：

- ①合同总收入能够可靠地计量；
- ②与合同相关的经济利益很可能流入本公司；
- ③实际发生的合同成本能够清楚地区分和可靠地计量；
- ④合同完工进度和为完成合同尚需发生的成本能够可靠地确定。

成本加成合同的结果能够可靠估计，确定依据为：

- ①与合同相关的经济利益很可能流入本公司；
- ②实际发生的合同成本能够清楚地区分和可靠地计量。

如果合同的预计总成本超过合同总收入的，对形成的合同预计损失，确认为资产减值损失，并计入当期损益。合同完工时，同时转销合同预计损失准备。

(2) 建造合同的结果不能可靠估计

建造合同的结果不能可靠估计的，分别情况进行处理：

- ①合同成本能够收回的，合同收入根据能够收回的实际合同成本予以确认，合同成本在其发生的当期确认为合同费用；
- ②合同成本不可能收回的，在发生时立即确认为合同费用，不确认合同收入。

5、公司收入确认与成本结转的具体原则与方法

房地产业行业

①商品房销售收入：对于商品房销售，在买卖双方签订销售合同并在国土部门备案；房地产开发产品已建造完工并达到预期可使用状态，经相关主管部门验收合格并办妥备案手续；买方按销售合同付款条款支付了约定的购房款项（通常支付销售合同首期款及已确认余下房款的付款安排）并办理完成商品房实物移交手续时，确认销售收入的实现。

若买方接到书面交房通知，未在规定的时间内办理完成商品房实物移交手续且无正当理由的，于书面交房通知所规定的时限结束后的次日确认销售收入的实现。

本公司将取得预售许可证后预售商品房所取得价款，先作为预收款项管理，待商品房完工并验收合格后于办理移交手续时确认销售收入的实现。

②土地销售收入：对于土地销售，在买卖双方已经签订销售合同；已将土地移交给买方并取得交付土地证明；收到款项或取得收款凭证时，确认销售收入的实现。

③物业管理收入：在物业服务已按照合同或协议提供并取得收取服务费的权利时确认收入。

④出租物业收入：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，确认房屋出租收入的实现。合同约定有免租期的，在不扣除免租期的整个租赁期内，按直线法对应收取的租赁费进行分摊，确认为出租收入。

⑤代建房屋和工程结算收入：对于代建房屋和工程结算，在签订了不可撤销的建造合同，代建房屋和工程的完工程度能够可靠地确定；公司根据累计实际发生的合同成本占合同预计总成本的比例（或者：已经完成的合同工作量占合同预计总工作量的比例或者：实际测定的完工进度）

（二十四）政府补助

政府补助，是公司从政府无偿取得货币性资产或非货币性资产。分为与资产相关的政府补助和与收益相关的政府补助。

1、与资产相关的政府补助判断依据及会计处理方法

公司取得的、用于购建或以其他方式形成长期资产的政府补助作为与资产相关的政府补助。

与资产相关的政府补助，冲减相关资产的账面价值或：确认为递延收益，并在相关资产使用寿命内按照合理、系统的方法分期计入损益。按照名义金额计量的政府补助，直接计入当期损益。

相关资产在使用寿命结束前被出售、转让、报废或发生毁损的，将尚未分配的相关递延收益余额转入资产处置当期的损益。

2、与收益相关的政府补助判断依据及会计处理方法

公司取得的与资产相关之外的其他政府补助作为与收益相关的政府补助。与收益相关的政府补助，分别下列情况处理：

（1）用于补偿公司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，计入当期损益或：冲减相关成本。

（2）用于补偿公司已发生的相关成本费用或损失的，直接计入当期损益或：冲减相关成本。

对于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，整体归类为与收益相关的政府补助。

与公司日常活动相关的政府补助，按照经济业务实质，计入其他收益或：冲减相关成本费用。与公司日常活动无关的政府补助，计入营业外收支。

3、政策性优惠贷款贴息的会计处理

（1）财政将贴息资金拨付给贷款银行，由贷款银行以政策性优惠利率向公司提供贷款的，以实际收到的借款金额作为借款的入账价值，按照借款本金和该政策性优惠利率计算相关借款费用或：以借款的公允价值作为借款的入账价值并按照实际利率法计算借款费用，实际收到的金额与借款公允价值之间的差额确认为递延收益。递延收益在借款存续期内采用实际利率法摊销，冲减相关借款费用。

（2）财政将贴息资金直接拨付给公司，公司将对应的贴息冲减相关借款费用。

政府补助在实际收到款项时按照到账的实际金额确认和计量。只有存在确凿证据表明该项补助是按照固定的定额标准拨付的以及有确凿证据表明能够符合财政扶持政策规定的相关条件且预计能够收到财政扶持资金时，可以按应收金额予以确认和计量。

已确认的政府补助需要退回的，公司在需要退回的当期进行会计处理，即对初始确认时冲减相关资产账面价值的，调整资产账面价值或：存在相关递延收益的，冲减相关递延收益账面余额，超出部分计入当期损益，或：属于其他情况的，直接计入当期损益。

（二十五）递延所得税资产和递延所得税负债

对于某些资产、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。

一般情况下所有暂时性差异均确认相关的递延所得税。但对于可抵扣暂时性差异，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，确认相关的递延所得税资产。此外，与商誉的初始确认相关的，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暂时性差异，不予确认有关的递延所得税资产或负债。

对于能够结转以后年度的可抵扣亏损及税款抵减，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。

确认与子公司、联营企业及合营企业投资相关的应纳税暂时性差异产生的递延所得税负债，除非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。对于与子公司、联营企业及合营企业投资相关的可抵扣暂时性差异，只有当暂时性差异在可预见的未来很可能转回，且未来很可能获得用来抵扣可抵扣暂时性差异的应纳税所得额时，才确认递延所得税资产。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。

除与直接计入其他综合收益或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。

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。

（二十六）租赁

1、经营租赁会计处理

（1）租入资产所支付的租赁费，在不扣除免租期的整个租赁期内，按直线法进行分摊，计入当期费用。支付的与租赁交易相关的初始直接费用，计入当期费用。

资产出租方承担了应由承租方承担的与租赁相关的费用时，将该部分费用从租金总额中扣除，按扣除后的租金费用在租赁期内分摊，计入当期费用。

（2）出租资产所收取的租赁费，在不扣除免租期的整个租赁期内，按直线法进行分摊，确认为租赁收入。支付的与租赁交易相关的初始直接费用，计入当期费用；如金额较大的，则予以资本化，在整个租赁期间内按照与租赁收入确认相同的基础分期计入当期收益。

承租方承担了应由出租方承担的与租赁相关的费用时，将该部分费用从租金收入总额中扣除，按扣除后的租金费用在租赁期内分配。

2、融资租赁会计处理

（1）融资租入资产：公司在承租开始日，将租赁资产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，其差额作为未确认的融资费用。

采用实际利率法对未确认的融资费用，在资产租赁期间内摊销，计入财务费用。公司发生的初始直接费用，计入租入资产价值。

（2）融资租出资产：公司在租赁开始日，将应收融资租赁款，未担保余值之和与其现值的差额确认为未实现融资收益，在将来收到租金的各期间内确认为租赁收入。公司发生的与出租交易相关的初始直接费用，计入应收融资租赁款的初始计量中，并减少租赁期内确认的收益金额。

(二十七) 终止经营

终止经营，是指满足下列条件之一的、能够单独区分的组成部分，且该组成部分已经处置或划分为持有待售类别：

- 1、该组成部分代表一项独立的主要业务或一个单独的主要经营地区；
 - 2、该组成部分是拟对一项独立的主要业务或一个单独的主要经营地区进行处置的一项相关计划的一部分；
 - 3、该组成部分是专为转售而取得的子公司。
- 符合持有待售的资产的会计处理见本附注三、(十三)。

(二十八) 关联方

一方控制、共同控制另一方或对另一方施加重大影响，以及两方或两方以上同受一方控制、共同控制的，构成关联方。关联方可为个人或企业。仅仅同受国家控制而不存在其他关联方关系的企业，不构成关联方。

本公司关联方包括但不限于：

- 1、母公司；
- 2、子公司；
- 3、受同一母公司控制的其他企业；
- 4、实施共同控制的投资方；
- 5、施加重大影响的投资方；
- 6、合营企业，包括合营企业的子公司；
- 7、联营企业，包括联营企业的子公司；
- 8、主要投资者个人及与其关系密切的家庭成员；
- 9、本公司或其母公司的关键管理人员及与其关系密切的家庭成员；
- 10、本公司主要投资者个人、关键管理人员或与其关系密切的家庭成员控制、共同控制的其他企业。

(二十九) 重要会计政策、会计估计的变更**1、重要会计政策变更**

本报告期公司主要会计政策未发生变更。

2、重要会计估计变更

本报告期公司主要会计估计未发生变更。

五、税项**(一) 主要税种及税率**

本公司本年度适用的主要税种及其税率列示如下：

税种	计税依据	税率
增值税	按税法规定计算的销售货物和应税劳务收入为基础计	13%、6%、5%

税种	计税依据	税率
	算销项税额，在扣除当期允许抵扣的进项税额后，差额部分为应交增值税	
城市维护建设税	按实际缴纳的流转税	7%
教育附加费	按实际缴纳的流转税	3%
地方教育费附加	按实际缴纳的流转税	2%
房产税	按房产原值一次减除30%后的余值或租金收入	1.2%或 12%
企业所得税	应纳税所得额	25%

六、合并财务报表主要项目注释

以下注释项目（包括母公司财务报表主要项目注释）金额单位若未特别注明者均为人民币元；除非特别指出，“期末”指 2020 年 12 月 31 日，“期初”指 2020 年 1 月 1 日，“本期”指 2020 年度，“上期”指 2019 年度。

（一）货币资金

项目	期末余额	期初余额
库存现金	286,882.64	301,751.46
银行存款	1,170,816,437.39	1,416,967,647.69
其他货币资金	3,458,677,385.11	2,428,091,159.71
合计	4,629,780,705.14	3,845,360,558.86
其中：存放在境外的款项总额		
因抵押、质押或冻结等对使用有限制的款项总额	1,257,089,598.19	937,743,468.94
其中，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		
用于质押贷款的定期存款或存单	1,257,089,598.19	937,743,468.94
合计	1,257,089,598.19	937,743,468.94

（二）应收票据

1、分类列示

项目	期末余额	期初余额
银行承兑票据	25,007,000.00	10,000,000.00

(三) 应收账款

1、分类披露

类别	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
	金额	比例 (%)	金额	计提比 例 (%)		金额	比例 (%)	金额	计提比例 (%)	
单项金额重大并单独计 提坏账准备的应收账款										
按组合计提坏账准备的 应收账款										
组合 1：账龄组合	141,004,978.12	75.90	24,513,921.89	17.39	116,491,056.23	343,809,396.73	84.13	25,013,732.98	7.28	318,795,663.75
组合 2：无风险组合	44,764,436.14	24.10			44,764,436.14	64,871,071.17	15.87			64,871,071.17
组合小计	185,769,414.26	100.00	24,513,921.89	13.20	161,255,492.37	408,680,467.90	100.00	25,013,732.98	6.12	383,666,734.92
单项金额不重大但单独 计提坏账准备的应收账 款										
合计	185,769,414.26	/	24,513,921.89	/	161,255,492.37	408,680,467.90	/	25,013,732.98	/	383,666,734.92

组合中，按账龄分析法计提坏账准备的应收账款

项目	应收账款	坏账准备	计提比例 (%)
1 年以内 (含 1 年)	11,212,284.39	112,122.82	1.00
1—2 年	478,860.87	23,943.06	5.00
2—3 年	22,856,880.20	2,285,688.03	10.00
3—4 年	103,991,592.57	20,798,318.51	20.00
4—5 年	2,343,021.25	1,171,510.63	50.00
5 年以上	122,338.84	122,338.84	100.00
合计	141,004,978.12	24,513,921.89	/

2、本期计提、收回或转回的坏账准备情况

本期收回或转回坏账准备金额 499,811.09 元。

3、按欠款方归集的期末余额前五名的应收账款情况

本报告期按欠款方归集的期末余额前五名应收账款汇总金额 129,166,800.44 元，占应收账款期末余额合计数的比例 69.53%，相应计提的坏账准备期末余额汇总金额 23,017,573.94 元。

(四) 预付款项

1、预付账款按账龄列示

账龄	期末余额		期初余额	
	金额	占总额比例 (%)	金额	占总额比例 (%)
1 年以内	199,163,131.00	56.52	164,668,472.99	62.04
1-2 年	112,002,982.21	31.79	49,092,471.94	18.49
2-3 年	41,195,720.29	11.69	49,587,904.91	18.68
			2,089,929.69	0.79
合计	352,361,833.50	100.00	265,438,779.53	100.00

2、预付款项按款项性质分类情况

款项性质	期末余额	期初余额
建筑工程款	304,332,519.59	217,847,983.27
供电工程款	45,577,334.00	36,125,112.93
其他-筹备款	2,451,979.91	11,465,683.33
合计	352,361,833.50	265,438,779.53

(五) 其他应收款

1、项目列示

项目	期末余额	期初余额
应收利息		
应收股利		
其他应收款	3,475,844,700.61	2,920,294,842.45
合计	3,475,844,700.61	2,920,294,842.45

2、其他应收款

(1) 其他应收款分类披露

类别	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
	金额	比例 (%)	金额	计提比例 (%)		金额	比例 (%)	金额	计提比例 (%)	
单项金额重大并单独计提坏账准备的其他应收款										
按组合计提坏账准备的其他应收款										
组合 1：账龄组合	422,060,151.59	11.92	65,057,699.47	15.41	357,002,452.12	633,194,980.15	21.35	44,965,452.44	7.10	588,229,527.71
组合 2：无风险组合	3,118,842,248.49	88.08			3,118,842,248.49	2,332,065,314.74	78.65			2,332,065,314.74
组合小计	3,540,902,400.08	100.00	65,057,699.47	1.84	3,475,844,700.61	2,965,260,294.89	100.00	44,965,452.44	1.52	2,920,294,842.45
单项金额不重大但单独计提坏账准备的其他应收款										
合计	3,540,902,400.08	/	65,057,699.47	/	3,475,844,700.61	2,965,260,294.89	/	44,965,452.44	/	2,920,294,842.45

组合中，按账龄分析法计提坏账准备的其他应收款

账龄	期末余额		
	其他应收款	坏账准备	计提比例 (%)
1 年以内 (含 1 年)	181,338,607.24	1,813,386.07	1.00
1—2 年	37,787,232.11	1,889,361.61	5.00
2—3 年	81,017,600.56	8,101,760.05	10.00
3—4 年	65,646,414.81	13,129,282.96	20.00
4—5 年	32,292,776.18	16,146,388.10	50.00
5 年以上	23,977,520.69	23,977,520.68	100.00
合计	422,060,151.59	65,057,699.47	

(2) 本期计提、收回或转回的坏账准备情况

本期计提坏账准备金额 20,092,247.03 元。

(六) 存货

1、存货分类

项目	期末余额			期初余额		
	账面余额	跌价准备	账面价值	账面余额	跌价准备	账面价值
原材料	11,160,266.86		11,160,266.86	11,057,660.69		11,057,660.69
低值易耗品	388,946.90		388,946.90	158,091.90		158,091.90
库存商品	1,630,642,311.59		1,630,642,311.59	1,580,702,513.02		1,580,702,513.02
开发成本	3,101,161,550.28		3,101,161,550.28	2,875,904,650.79		2,875,904,650.79
合计	4,743,353,075.63		4,743,353,075.63	4,467,822,916.40		4,467,822,916.40

2、截至 2020 年 12 月 31 日止，本公司存货不存在减值需计提存货跌价准备的情况。

(七) 其他流动资产

项目	期末余额	期初余额
预缴营业税	56,602.86	103,384.59
预缴城市维护建设税	3,130,996.51	2,372,607.36
预缴教育费附加	2,434,942.07	1,879,476.34
预缴房产税	2,519,083.04	1,410,355.64
预缴城镇土地使用税	7,710,313.22	24,633,517.06
预缴土地增值税	140,305,510.55	141,337,880.38
预缴企业所得税	6,404,561.88	8,487,282.00
预缴其他税费	1,090,657.19	
合计	163,652,667.32	180,224,503.37

(八) 发放贷款及垫款

项目	期末余额	期初余额
发放贷款		22,865,709.51

(九) 可供出售金融资产

1、可供出售金融资产的情况

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
可供出售债务工具：						
可供出售权益工具：	875,250,000.00		875,250,000.00	360,250,000.00		360,250,000.00
按公允价值计量的						
按成本计量的	875,250,000.00		875,250,000.00	360,250,000.00		360,250,000.00
其他						
合计	875,250,000.00		875,250,000.00	360,250,000.00		360,250,000.00

2、期末按成本计量的可供出售金融资产

被投资单位	账面余额				减值准备				在被投资单位持股比例 (%)	本期现金红利
	期初	本期增加	本期减少	期末	期初	本期增加	本期减少	期末		
江苏美时医疗技术有限公司	40,000,000.00			40,000,000.00					1.74	
泰州环晟健康产业投资中心（有限合伙）	10,000,000.00			10,000,000.00					20.00	
泰州瑞嘉企业管理合伙企业（有限合伙）	248,750,000.00			248,750,000.00					19.90	
江苏华创信诺医药科技有限公司	1,500,000.00			1,500,000.00					7.50	
泰州安盛典当有限公司	10,000,000.00		10,000,000.00						10.00	
泰州健鑫创业投资有限公司	50,000,000.00			50,000,000.00					20.00	
江苏亚虹医药科技股份有限公司		25,000,000.00		25,000,000.00					0.93	
泰州新豪置业有限公司		500,000,000.00		500,000,000.00					16.13	
合计	360,250,000.00	525,000,000.00	10,000,000.00	875,250,000.00						

(十) 长期应收款

1、长期应收款情况

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				486,186,866.90		486,186,866.90

(十一) 长期股权投资

1、长期股权投资明细情况

项目	期末余额		年初余额	
	账面余额	减值准备	账面余额	减值准备
长期股权投资	1,460,229,496.44		873,268,196.44	

被投资单位	期初余额(账面价值)	本期增减变动								期末余额(账面价值)	减值准备期末余额
		追加投资	减少投资	权益法下确认的投资损益	其他综合收益调整	其他权益变动	宣告发放现金股利或利润	计提减值准备	其他		
联营企业											
华电泰州医药城新能源有限公司	4,036,969.65									4,036,969.65	
中节能新能源泰州有限公司	10,463,826.79									10,463,826.79	
泰州医药高新区华银金融投资有限公司	858,767,400.00	586,961,300.00								1,445,728,700.00	
合计	873,268,196.44	586,961,300.00								1,460,229,496.44	

(十二) 投资性房地产

1、采用公允价值计量模式的投资性房地产

项目	房屋、建筑物	合计
一、期初余额	4,130,354,260.00	4,130,354,260.00
二、本期变动	625,280,530.00	625,280,530.00
加：外购		
存货\固定资产\在建工程转入	424,324,528.76	424,324,528.76
企业合并增加		
减：处置		
其他转出		
公允价值变动	146,480,976.34	146,480,976.34
其他转入	54,475,024.90	54,475,024.90
三、期末余额	4,755,634,790.00	4,755,634,790.00

(十三) 固定资产

1、项目列示

项目	期末余额	期初余额
固定资产	114,219,261.41	135,866,955.63
固定资产清理		
合计	114,219,261.41	135,866,955.63

2、固定资产

(1) 固定资产情况

项目	房屋及建筑物	机器设备	运输工具	办公设备及其他	合计
一、账面原值：					
1.期初余额	11,163,711.29	202,741,515.56	6,464,452.85	75,891,299.46	296,260,979.16
2.本期增加金额	68,000.00	5,896,856.06	127,926.80	5,076,223.74	11,169,006.60
(1)购置	-	1,427,142.24	101,227.77	2,883,693.19	4,412,063.20
(2)在建工程转入					
(3)企业合并增加	68,000.00	4,469,713.82	26,699.03	2,192,530.55	6,756,943.40
3.本期减少金额	-	5,713,677.15	495,433.50	445,542.17	6,654,652.82
(1)处置或报废	-	5,713,677.15	495,433.50	445,542.17	6,654,652.82
4.期末余额	11,231,711.29	202,924,694.47	6,096,946.15	80,521,981.03	300,775,332.94
二、累计折旧					
1.期初余额	2,761,244.48	96,027,160.04	5,555,805.12	56,049,813.89	160,394,023.53
2.本期增加金额	2,693,213.81	15,125,848.48	182,795.83	9,376,163.07	27,378,021.19
(1)计提	2,693,213.81	15,125,848.48	182,795.83	9,376,163.07	27,378,021.19
3.本期减少金额	-	394,563.96	429,542.25	391,866.98	1,215,973.19
(1)处置或报废	-	394,563.96	429,542.25	391,866.98	1,215,973.19
4.期末余额	5,454,458.29	110,758,444.56	5,309,058.70	65,034,109.98	186,556,071.53
三、减值准备					
1.期初余额					
2.本期增加金额					

项目	房屋及建筑物	机器设备	运输工具	办公设备及其他	合计
(1)计提					
3.本期减少金额					
(1)处置或报废					
4.期末余额					
四、账面价值					
1.期末账面价值	5,777,253.00	92,166,249.91	787,887.45	15,487,871.05	114,219,261.41
2.期初账面价值	8,402,466.81	106,714,355.52	908,647.73	19,841,485.57	135,866,955.63

(十四) 在建工程

1、项目列示

项目	期末余额	期初余额
在建工程	284,316,132.16	262,796,193.55
工程物资	100,000.00	100,000.00
合计	284,416,132.16	262,896,193.55

2、在建工程

(1) 在建工程情况

项目	期末余额			期初余额		
	账面余额	减值准备	账面净值	账面余额	减值准备	账面净值
疫苗工程中心 B4 楼加固改造工程	41,325,019.69		41,325,019.69	38,921,003.01		38,921,003.01
科技大厦装修	74,513,068.62		74,513,068.62	74,513,068.62		74,513,068.62
新药创制基地一期装修	12,224,053.99		12,224,053.99	12,224,053.99		12,224,053.99
新药创制基地二期装修	69,833,945.86		69,833,945.86	69,903,838.04		69,903,838.04
中国医药城疫苗工程中心三期装修工程	16,826,724.29		16,826,724.29	15,249,098.94		15,249,098.94
天虹-冷链设备	1,977,544.14		1,977,544.14	586,654.49		586,654.49
国中物流园	51,398,476.46		51,398,476.46	51,398,476.46		51,398,476.46
五期能源站庭院管网建设安装	458,715.60		458,715.60			
青年之家	4,979,157.82		4,979,157.82			

项目	期末余额			期初余额		
	账面余额	减值准备	账面净值	账面余额	减值准备	账面净值
南区食堂项目						
装修厂房 净化车间	10,779,425.69		10,779,425.69			
合计	284,316,132.16		284,316,132.16	262,796,193.55		262,796,193.55

(2) 重要在建工程项目本期变动情况

项目名称	预算数	期初余额	本期增加金额	本期转入投资性 房地产金额	本期其 他减少 金额	期末余额	工程累计 投入占预 算比例 (%)	工程进 度	利息 资本 化累 计金 额	其中：本 期利息 资本化 金额	本期利息 资本化率 (%)	资金来 源
五期能源 站庭院管网 建设安装			458,715.60			458,715.60						自筹
青年之家南 区食堂项目	17,500,000.00		4,979,157.82			4,979,157.82	30	主体 结构 封顶				自筹
装修厂房 净化车间			10,779,425.69			10,779,425.69						自筹
合计			16,217,299.11		-	16,217,299.11	/	/				

3、工程物资

项目	期末余额	期初余额
工器具	100,000.00	100,000.00

(十五) 无形资产

1、无形资产情况

项目	软件	土地使用权	合计
一、账面原值			
1.期初余额	2,660,557.72	38,832,411.17	41,492,968.89
2.本期增加金额	346,638.58		346,638.58
(1) 购置	346,638.58		346,638.58
(2) 内部研发			
(3) 企业合并			
增加			
3.本期减少金额			
(1) 处置			
4.期末余额	3,007,196.30	38,832,411.17	41,839,607.47
二、累计摊销			
1.期初余额	1,382,042.63	7,484,501.16	8,866,543.79
2.本期增加金额	922,040.93	940,363.94	1,862,404.87
(1) 计提	922,040.93	940,363.94	1,862,404.87
3.本期减少金额	628,570.66		628,570.66
(1) 处置	628,570.66		628,570.66
4.期末余额	1,675,512.90	8,424,865.10	10,100,378.00
三、减值准备			
1.期初余额			
2.本期增加金额			
(1) 计提			
3.本期减少金额			
(1) 处置			
4.期末余额			
四、账面价值			
1.期末账面价值	1,331,683.40	30,407,546.07	31,739,229.47
2.期初账面价值	1,278,515.09	31,347,910.01	32,626,425.10

(十六) 商誉

1、商誉账面原值

被投资单位名称或形成商誉的事项	期初余额	本期增加	本期减少	期末余额
		企业合并形成的	处置	
泰州市太平洋建设有限公司	4,567,702.93			4,567,702.93
泰州舒世界物业管理有限公司	41,838,485.19			41,838,485.19
泰州市医药城物业管理有限公司	32,091,414.94			32,091,414.94
泰州市华颐餐饮服务有限公司	9,966.81			9,966.81
泰州华欣商务管理有限公司	7,858,696.74			7,858,696.74

被投资单位名称或形成商誉的事项	期初余额	本期增加	本期减少	期末余额
		企业合并形成的	处置	
泰州华冠餐饮管理有限公司	11,779,313.18			11,779,313.18
泰州乾富商贸有限公司	7,598,025.17			7,598,025.17
泰州华轩酒店管理有限公司	1,577,401.36			1,577,401.36
泰州华力美健身管理有限公司	1,434,509.38			1,434,509.38
泰州华祥酒店管理有限公司	8,729,019.03			8,729,019.03
泰州华耀酒店管理有限公司	1,217,735.26			1,217,735.26
泰州华宿公寓管理有限公司	704,231.11			704,231.11
江苏新智源医学科技有限公司		65,005,193.74		65,005,193.74
合计	119,406,501.10	65,005,193.74		184,411,694.84

(十七) 长期待摊费用

项目	期初余额	本期增加金额	本期摊销金额	其他减少金额	期末余额
装修费用	12,968,803.53	12,915,282.09	8,787,149.54		17,096,936.08

(十八) 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	期末余额		期初余额	
	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	89,571,621.36	22,392,905.38	70,062,773.80	17,515,693.45

2、未经抵销的递延所得税负债

项目	期末余额		期初余额	
	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
计入投资性房地产公允价值变动	1,103,969,041.30	275,992,260.33	957,488,064.96	239,372,016.24

(十九) 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	418,340,000.00	776,159,796.02
抵押借款	120,000,000.00	320,000,000.00
保证借款	2,343,533,450.00	1,470,800,000.00
信用借款	356,245,000.00	348,810,000.00
合计	3,238,118,450.00	2,915,769,796.02

(二十) 应付票据

1、应付票据列示

种类	期末余额	期初余额
银行承兑汇票	2,027,000,000.00	1,113,500,000.00

(二十一) 应付账款

1、应付账款列示

项目	期末余额	期初余额
1 年以内	98,181,338.64	481,360,775.76
1 至 2 年	43,838,472.04	96,430,018.82
2 至 3 年	51,579,043.23	125,877,594.04
3 年以上	13,847,710.37	2,386,035.75
合计	207,446,564.28	706,054,424.37

2、账龄超过 1 年的重要应付账款

项目	期末余额	未偿还或结转的原因
江苏恩凯生物科技有限公司	40,312,500.00	工程款
泰凌医药（江苏）有限公司	3,314,360.00	工程款
泰凌生物制药江苏有限公司	3,000,000.00	工程款
江苏江都建设集团有限公司	2,008,295.03	工程款
中国江苏国际经济技术合作集团有限公司	1,626,822.65	工程款
合计	50,261,977.68	

(二十二) 预收款项

1、预收款项列示

项目	期末余额	期初余额
1 年以内	181,209,802.80	1,243,985,063.38
1-2 年	1,121,940,019.27	799,344,945.80
2-3 年	773,027,983.04	
合计	2,076,177,805.11	2,043,330,009.18

2、账龄超过 1 年的重要预收款项

项目	期末余额	未偿还或结转的原因
张艳艳 19-108	4,510,448.00	未交房
周群 李春芝 18-108	4,494,451.00	未交房
孙俊伯 卞池 14-109	4,449,383.00	未交房
何源龙 陈樑 刘素萍 14-105	4,425,096.00	未交房
合计	17,879,378.00	

(二十三) 应付职工薪酬

1、应付职工薪酬列示

项目	期初余额	本期增加	本期减少	期末余额
一、短期薪酬	4,024,943.63	102,823,634.27	96,687,641.24	10,160,936.66
二、离职后福利-设定提存计划	219,336.84	3,549,906.78	3,577,517.91	191,725.71
三、辞退福利		26,933.34	26,933.34	
四、一年内到期的其他福利				
合计	4,244,280.47	106,400,474.39	100,292,092.49	10,352,662.37

2、短期薪酬列示

项目	期初余额	本期增加	本期减少	期末余额
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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	3,000,723.11	91,616,646.83	85,442,932.80	9,174,437.14
二、职工福利费	739,811.55	2,002,668.11	2,098,478.88	644,000.78
三、社会保险费	200,093.93	3,181,298.19	3,197,247.55	184,144.57
其中：医疗保险费	188,296.18	1,804,546.54	1,814,289.48	178,553.24
工伤保险费	6,449.33	690,464.75	693,519.45	3,394.63
生育保险费	5,348.42	686,286.90	689,438.62	2,196.70
四、住房公积金	48,336.00	5,175,506.50	5,135,366.50	88,476.00
五、工会经费和职工教育经费	35,979.04	847,514.64	813,615.51	69,878.17
六、短期带薪缺勤				
七、短期利润分享计划				
合计	4,024,943.631	102,823,634.27	96,687,641.24	10,160,936.66

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
1.基本养老保险	208,643.26	2,806,423.10	2,830,925.87	184,140.49
2.失业保险费	10,693.58	743,483.68	746,592.04	7,585.22
3.企业年金缴费				
合计	219,336.84	3,549,906.78	3,577,517.91	191,725.71

(二十四) 应交税费

项目	期末余额	期初余额
增值税	-138,466,012.29	-100,290,770.73
企业所得税	223,284,099.73	150,899,982.53
个人所得税	73,738.45	131,677.24
城市维护建设税	35,591.48	
教育费附加	35,561.05	
房产税	1,480,169.92	
城镇土地使用税	368,525.00	
其他税费	4,212.71	
合计	86,815,886.05	50,740,889.04

(二十五) 其他应付款

1、项目列示

项目	期末余额	期初余额
应付利息		
应付股利		
其他应付款	351,701,392.86	442,217,438.05
合计	351,701,392.86	442,217,438.05

2、其他应付款

(1) 按款项性质列示其他应付款

项目	期末余额	期初余额
资金拆借	134,383,014.89	366,217,438.05
保证金	78,318,377.97	50,000,000.00

项目	期末余额	期初余额
股权转让款	139,000,000.00	26,000,000.00
合计	351,701,392.86	442,217,438.05

(2) 重要的账龄超过 1 年的其他应付款

项目	期末余额	未偿还或结转的原因
江苏大都建设工程有限公司	50,000,000.00	保证金
泰州鑫泰集团有限公司	22,000,000.00	拆借款
泰州市医药科技成果转化服务中心	15,000,000.00	股权转让款
合计	87,000,000.00	

(二十六) 一年内到期的非流动负债

项目	期末余额	期初余额
一年内到期的长期借款	975,254,673.82	850,000,000.00

(二十七) 其他流动负债

项目	期末余额	期初余额
预提费用	191,822.74	
合计	191,822.74	

(二十八) 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	49,900,000.00	
抵押借款	1,000,000,000.00	1,442,500,000.00
保证借款	1,431,083,656.83	1,298,868,672.00
信用借款	300,000,000.00	1,800,000,000.00
合计	2,780,983,656.83	4,541,368,672.00

(二十九) 应付债券

项目	期末余额	期初余额
公司债	2,398,000,000.00	
合计	2,398,000,000.00	

(三十) 长期应付款

1、项目列示

项目	期末余额	期初余额
长期应付款		
专项应付款	13,294,345.98	12,518,004.68
合计	13,294,345.98	12,518,004.68

2、按款项性质列示专项应付款

项目	期初余额	本期增加	本期减少	期末余额	形成原因
2013 年建筑节能专项引导资金	2,580,000.00	3,300,000.00	1,570,000.00	4,310,000.00	

项目	期初余额	本期增加	本期减少	期末余额	形成原因
2015 双轮驱动战略资金	500,000.00		500,000.00		
节能减排引导资金	1,200,000.00		1,115,149.02	84,850.98	
园区循环项目改造资金	1,000,000.00			1,000,000.00	
园区管委会财政局拨入	1,384,642.98		885,147.98	499,495.00	
中国医药城首批“113 人才计划”	1,000,000.00			1,000,000.00	
2016 市工业经济转型升级专项扶持资金	200,000.00		200,000.00		
2015 省级园区循环化改造示范点补助资金	1,000,000.00			1,000,000.00	
科技厅 2017 省创新能力建设专项资金	1,000,000.00			1,000,000.00	
省级特色小镇	2,100,000.00	2,000,000.00		4,100,000.00	
2018 年度泰州市市区文化产业发展专项资金	100,000.00		100,000.00		
2017 年度市中小企业发展项目资金	435,000.00		435,000.00		
电影专项基金	18,361.70	15,837.43	34,199.13		
2019 省科技型创业企业孵育计划资金		300,000.00		300,000.00	
合计	12,518,004.68	5,615,837.43	4,839,496.13	13,294,345.98	

(三十一) 预计负债

1、预计负债明细表

项目	期初余额	期末余额	形成原因
产品质量保证		210,000.00	质量售后
合计		210,000.00	

(三十二) 实收资本（或股本）

1、实收资本（或股本）增减变动情况

股东名称	期初余额	本期增减变动（+、—）					期末余额
		增资	利润转增资本	公积金转增资本	其他	小计	
泰州医药高新技术产业开发区管理委员会	2,716,102,500.00						2,716,102,500.00

(三十三) 资本公积

1、资本公积增减变动明细

项目	期初余额	本期增加	本期减少	期末余额
资本溢价（股本溢价）	1,099,563,000.09	1,302,251,046.48		2,401,814,046.57
其他资本公积	1,850,118.12			1,850,118.12

项目	期初余额	本期增加	本期减少	期末余额
合计	1,101,413,118.21	1,302,251,046.48		2,403,664,164.69

(三十四) 其他综合收益

1、其他综合收益明细

项目	期初余额	本期发生金额						期末余额
		本期所得 税前发生 额	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：所得 税费用	税后归 属于母 公司	税后归属 于少数股 东	
一、不能重分类进损益的 其他综合收益								
其中：重新计量设定受益 计划变动额								
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								
其中：权益法下可转损益 的其他综合收益								
可供出售金融资产 公允价值变动损益								
持有至到期投资重 分类为可供出售金融资产 损益								
现金流量套期损益 的有效部分								
外币财务报表折算 差额								
三、其他	16,640,276.31							16,640,276.31
其他综合收益合计	16,640,276.31							16,640,276.31

(三十五) 未分配利润

项目	本期	上期
调整前上期末未分配利润	1,154,003,436.35	1,054,625,302.03
调整期初未分配利润合计数（调增+，调减-）		
调整后期初未分配利润	1,154,003,436.35	1,054,625,302.03
加：本期归属于母公司所有者的净利润	62,325,351.92	99,378,134.32
减：提取法定盈余公积	3,758,624.03	-
提取任意盈余公积		
提取一般风险准备		
应付投资者股利		
转作资本（或股本）的投资者股利		
期末未分配利润	1,212,570,164.24	1,154,003,436.35

(三十六) 营业收入和营业成本

1、营业收入和营业成本

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	1,032,833,993.02	842,573,582.42	974,427,969.90	810,123,293.74
其他业务	78,946,991.19	35,408,136.63	54,595,716.84	39,587,007.48
合计	1,111,780,984.21	877,981,719.05	1,029,023,686.74	849,710,301.22

营业收入、营业成本明细（分产品）

产品名称		营业收入		营业成本	
		金额	比例（%）	金额	比例（%）
商品销售收入	1、房地产销售收入	320,703,636.41	28.84	273,805,695.25	31.19
	2、其他商品销售收入	332,702,967.88	29.92	328,845,161.88	37.45
物业管理及酒店运营收入	1、物业管理收入	70,274,417.60	6.32	50,602,333.57	5.76
	2、酒店服务收入	25,981,050.16	2.34	11,616,000.88	1.32
出租收入	1、物业出租	46,460,017.16	4.18		
	2、设备出租	811,920.45	0.07		
代建业务收入		146,163,219.16	13.15	125,634,941.33	14.31
保安服务收入		52,089,669.22	4.68	42,390,381.61	4.83
医药收入		32,800,966.41	2.95	9,679,067.90	1.10
金融服务收入		4,846,128.57	0.44		
其他业务收入	1、技术服务	16,227,529.54	1.46		
	2、广告制作	2,967,189.90	0.27	3,397,294.11	0.39
	3、设备安装费、能源费	37,907,976.73	3.41	16,954,542.27	1.93
	4、游泳服务	97,455.88	0.01	67,935.65	0.01
	5、展览、会议费	1,869,511.44	0.17	5,152,757.99	0.59
	6、餐饮	11,858,385.63	1.07	8,663,293.62	0.99
	7、其他	8,018,942.07	0.72	1,172,312.99	0.13
合计		1,111,780,984.21	100.00	877,981,719.05	100.00

(三十七) 税金及附加

项目	本期发生额	上期发生额
土地增值税		270,490.91
土地使用税	3,090,932.60	3,853,552.91
城市维护建设税	1,828,289.28	561,974.98
教育费附加	1,307,421.21	285,956.36
房产税	7,143,198.69	6,605,675.75
车船税	660.00	
印花税	62,501.62	
合计	13,433,003.40	11,577,650.91

(三十八) 销售费用

项目	本期发生额	上期发生额
职工薪酬	3,136,943.23	1,247,586.90
折旧摊销费	3,430,871.60	31,135.90
代理费	3,804,559.19	1,940,000.00
宣传费	2,950,020.36	4,280,001.79
服务费	6,135,443.37	389,012.98
维修保险费	514,008.57	
物料消耗费	320,601.67	
租赁费	271,817.04	
交通差旅费	309,250.35	49,532.80
办公费	816,975.88	2,062.25
其他	573,216.04	180,629.97
合计	22,263,707.30	8,119,962.59

(三十九) 管理费用

项目	本期发生额	上期发生额
职工薪酬	62,679,465.96	67,890,406.79
折旧摊销费	38,146,325.40	44,561,459.87
物业水电能耗费	63,872,895.31	51,305,970.31
服务费	29,463,881.95	6,256,147.51
维修保险费	13,464,478.32	8,537,976.13
办公费	4,832,892.58	3,528,550.13
租赁费	2,266,805.20	350,697.60
交通差旅费	455,221.49	655,136.71
业务招待费	142,063.58	205,867.77
其他	742,322.88	478,825.23
合计	216,066,352.67	183,771,038.05

(四十) 研发费用

项目	本期发生额	上期发生额
职工薪酬	304,011.80	
差旅费	11,914.27	
材料燃料和动力	649,800.95	
咨询费	249,406.00	
设计费	2,424.78	
服务费	197,769.89	

项目	本期发生额	上期发生额
折旧费	50,690.88	
汽车费用	303.00	
维修费	31,153.49	
合计	1,497,475.06	

(四十一) 财务费用

项目	本期发生额	上期发生额
利息费用	30,588,568.42	34,005,911.51
减：利息收入	6,975,109.97	16,199,289.29
利息净支出	23,613,458.45	17,806,622.22
汇兑损失		5,235,019.93
减：汇兑收益	20,096,141.34	2,977.53
手续费支出	-812,013.16	727,626.84
合计	2,705,303.95	23,766,291.46

(四十二) 投资收益

项目	本期发生额	上期发生额
处置长期股权投资产生的投资收益	-26,124,767.99	54,217,717.22

(四十三) 公允价值变动收益

产生公允价值变动收益的来源	本期发生额	上期发生额
以公允价值计量且其变动计入当期损益的金融资产		
按公允价值计量的投资性房地产	146,480,976.34	82,149,548.35

(四十四) 资产减值损失

项目	本期发生额	上期发生额
一、坏账损失	-19,592,435.94	-17,003,176.56

(四十五) 资产处置收益

资产处置收益的来源	本期发生额	上期发生额
固定资产处置收益	-52,571.39	
合计	-52,571.39	

(四十六) 营业外收入

项目	本期发生额	上期发生额	计入当期非经常性损益的金额
与企业日常活动无关的政府补助	69,910,094.06	77,732,991.23	69,910,094.06
非同一控制企业收购	0.00	9,697,232.65	0.00
固定资产处置利得	50,092.50		50,092.50
其他	4,878,896.31	849,968.11	4,878,896.31
合计	74,839,082.87	88,280,191.99	74,839,082.87

(四十七) 营业外支出

项目	本期发生额	上期发生额	计入当期非经常性损益的金额
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项目	本期发生额	上期发生额	计入当期非经常性损益的金额
罚款支出	27,650.00	900.00	27,650.00
赔偿金、违约金	660,883.50	1,132,600.00	660,883.50
滞纳金	777.79	153,771.11	777.79
对外捐赠支出	369,382.00		369,382.00
其他	92,264.59	5,687.65	92,264.59
合计	1,150,957.88	1,292,958.76	1,150,957.88

(四十八) 所得税费用

1、所得税费用表

项目	本期发生额	上期发生额
当期所得税费用	55,213,540.64	29,580,793.65
递延所得税费用的变动	31,739,254.31	21,475,803.80
合计	86,952,794.95	51,056,597.45

2、会计利润与所得税费用调整过程

项目	本期发生额
利润总额	151,788,821.78
按法定/适用税率计算的所得税费用	37,947,205.45
子公司适用不同税率的影响	
调整以前期间所得税的影响	
非应税收入的影响	
不可抵扣的成本、费用和损失的影响	49,005,589.50
使用前期未确认递延所得税资产的可抵扣亏损的影响	
本期未确认递延所得税资产的可抵扣暂时性差异或可抵扣亏损的影响	
所得税费用	86,952,794.95

(四十九) 现金流量表补充资料

1、现金流量表补充资料表

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	64,836,026.83	107,492,947.90
加: 资产减值准备	19,592,435.94	17,003,176.56
固定资产折旧、油气资产折耗、生产性生物资产折旧	27,378,021.19	33,423,853.25
无形资产摊销	1,862,404.87	3,160,102.93
长期待摊费用摊销	8,787,149.54	5,281,135.89
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)	52,571.39	
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)	-146,480,976.34	-82,149,548.35
财务费用(收益以“-”号填列)	30,588,568.42	34,005,911.51
投资损失(收益以“-”号填列)	26,124,767.99	-54,217,717.22
递延所得税资产减少(增加以“-”号填列)	-4,877,211.93	938,416.71
递延所得税负债增加(减少以“-”号填列)	36,620,244.09	20,537,387.09

补充资料	本期金额	上期金额
存货的减少（增加以“-”号填列）	-275,530,159.23	-716,646,683.66
经营性应收项目的减少（增加以“-”号填列）	-454,661,105.52	-70,770,027.03
经营性应付项目的增加（减少以“-”号填列）	896,587,866.27	965,636,491.75
其他		
经营活动产生的现金流量净额	230,880,603.51	263,695,447.33
2. 不涉及现金收支的重大投资和筹资活动：		
销售商品、提供劳务收到的银行承兑汇票背书转让的金额		
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	3,372,691,106.95	2,907,617,089.92
减：现金的期初余额	2,907,617,089.92	1,985,600,642.65
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	465,074,017.03	922,016,447.27

2、现金和现金等价物的构成

项目	期末余额	期初余额
一、现金	3,372,691,106.95	2,907,617,089.92
其中：库存现金	286,882.64	301,751.46
可随时用于支付的银行存款	1,170,816,437.39	1,416,967,647.69
可随时用于支付的其他货币资金	2,201,587,786.92	1,490,347,690.77
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	3,372,691,106.95	2,907,617,089.92
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		

(五十) 政府补助

1、政府补助基本情况

种类	金额	列报项目	计入当期损益的金额
2014 年建筑节能专项引导资金	118,867.92	营业外收入	118,867.92
财政转入物业补助	2,000,000.00	营业外收入	2,000,000.00
管委会转入物业补助	2,500,000.00	营业外收入	2,500,000.00
发展和改革委员会 2020 年商务发展专项资金补助	22,200.00	营业外收入	22,200.00
泰州市社会保险基金结算中心 2020 年 11 月以	159,500.00	营业外收入	159,500.00

种类	金额	列报项目	计入当期损益的金额
工代训补贴第四批			
医药园区其他重点项目及民生项目 2020 年度科技创新区级配套	75,000.00	营业外收入	75,000.00
2019 年第二批科技创新申报项目奖补奖金（区级配套）以及企业研发费用加计扣除奖补	12,990.00	营业外收入	12,990.00
企业稳岗补贴	4,510.83	营业外收入	4,510.83
税收减免	101,673.62	营业外收入	101,673.62
泰州市劳动就业管理中心失业金返还	7,826.68	营业外收入	7,826.68
2020.11 月以工代训补贴第四批	161,000.00	营业外收入	161,000.00
税费返还	361,377.24	营业外收入	361,377.24
市劳动就业管理中心稳岗返还款	226,128.71	营业外收入	226,128.71
泰州医药高新技术产业园区管理委员会政府补助	2,597,800.54	营业外收入	2,597,800.54
泰州医药高新技术产业园区管理委员会第十届医博会拓展组费用	3,000,000.00	营业外收入	3,000,000.00
泰州市医药科技成果转化服务中心第十一届医博会费用	5,993,144.52	营业外收入	5,993,144.52
泰州医药高新技术产业园区管理委员会服务业发展引导资金	2,050,000.00	营业外收入	2,050,000.00
2018 年度泰州市市区文化产业发展专项资金扶持项目	100,000.00	营业外收入	100,000.00
高新区 2019 年省科技型创业企业孵育计划资金	630,000.00	营业外收入	630,000.00
2019 年度第二批省级工业和信息产业转型升级资金	800,000.00	营业外收入	800,000.00
高新区人才特别计划资金补助	1,000,000.00	营业外收入	1,000,000.00
2018 年度社会发展-重大科技示范项目经费尾款	1,300,000.00	营业外收入	1,300,000.00
113 补贴	200,000.00	营业外收入	200,000.00
2020 区级服务业发展引导资金（泰州品质认证）	50,000.00	营业外收入	50,000.00
2017 年度市中小企业发展项目资金	435,000.00	营业外收入	435,000.00
高新区国库支付中心	282,500.00	营业外收入	282,500.00

种类	金额	列报项目	计入当期损益的金额
2020 年支持企业抗疫情			
高新区财政局人才体系建设款	10,574.00	营业外收入	10,574.00
园区财政局补助	45,710,000.00	营业外收入	45,710,000.00
合计	69,910,094.06		69,910,094.06

七、合并范围的变更

(一) 非同一控制下企业合并

1、本期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	购买日的确定依据	购买日至期末被购买方的收入	购买日至期末被购买方的净利润
江苏新智源医学科技有限公司	2020 年 6 月 30 日	14,089,740.00	90.00	股权受让	2020 年 6 月 30 日	工商变更	32,800,966.41	7,127,133.19

(二) 其他原因的合并范围变动

公司本期新设子公司泰州国展展览有限公司和泰州华腾体育管理有限公司, 股权转让泰州广瑞融资租赁有限公司和泰州市鸿鑫科技小额贷款有限公司。

八、在其他主体中的权益

(一) 在子公司中的权益

1、企业集团的构成

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	
江苏华联东方置业有限公司	江苏泰州	江苏泰州	房地产开发销售	100.00		设立
江苏国贸东方游泳服务有限公司	江苏泰州	江苏泰州	服务		100.00	设立
泰州假日东方酒店管理有限公司	江苏泰州	江苏泰州	服务		100.00	设立
泰州市太平洋建设有限公司	江苏泰州	江苏泰州	房地产开发		89.76	非同一控制合并
泰州瑞佳置业有限公司	江苏泰州	江苏泰州	房地产业		100.00	非同一控制合并
泰州瑞晟置业有限公司	江苏泰州	江苏泰州	房地产业		100.00	非同一控制合并
泰州医药城华艺商务服务有限公司	江苏泰州	江苏泰州	服务		100.00	设立
泰州东方小镇商务管理有限公司	江苏泰州	江苏泰州	物业服务		100.00	设立
江苏华裕公共设施管理服务股份有限公司	江苏泰州	江苏泰州	施工工程	100.00		设立
江苏华创医药研发平台管理有限公司	江苏泰州	江苏泰州	技术研发、转让	100.00		设立
泰州医药城华盈商贸有限公司	江苏泰州	江苏泰州	销售、管理	100.00		设立
泰州医药城盈泰医药有限公司	江苏泰州	江苏泰州	药品批发		60.00	设立
泰州品味文化传媒有限公司	江苏泰州	江苏泰州	文化、体育和娱乐业		100.00	设立
江苏泰昇健康医疗科技有限公司	江苏泰州	江苏泰州	产业投资	100.00		设立
泰州赛昂医疗器械有限公司	江苏泰州	江苏泰州	技术服务		100.00	设立
泰州中昂投资管理有限公司	江苏泰州	江苏泰州	投资管理	54.55		设立
泰州瑞康餐饮管理有限公司	江苏泰州	江苏泰州	商务咨询		100.00	设立
泰州国泰会展管理有限公司	江苏泰州	江苏泰州	会议展览服务		100.00	设立
泰州鸿运广告有限公司	江苏泰州	江苏泰州	广告服务		100.00	设立
泰州华美物业管理有限公司	江苏泰州	江苏泰州	物业管理	100.00		设立

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	
司						
泰州华融物业管理有限公司	江苏泰州	江苏泰州	物业管理		100.00	设立
江苏华泰疫苗工程技术研究有限公司	江苏泰州	江苏泰州	技术研发、转让	100.00		设立
泰州安力昂生物制药有限公司	江苏泰州	江苏泰州	技术研发、转让	100.00		设立
华创医药(香港)有限公司	香港	香港	投资管理		100.00	设立
泰州瑞虹商业管理有限公司	江苏泰州	江苏泰州	商业管理		100.00	设立
泰州梦想双创小镇商务管理有限公司	江苏泰州	江苏泰州	商务管理		100.00	设立
泰州医药高新区华融资产经营有限公司	江苏泰州	江苏泰州	租赁和商务服务业	100.00		新设立
泰州舒世界物业管理有限公司	江苏泰州	江苏泰州	物业管理		100.00	非同一控制合并
泰州市盾安保安服务有限公司	江苏泰州	江苏泰州	保安服务		100.00	非同一控制合并
泰州市医药城物业管理有限公司	江苏泰州	江苏泰州	物业管理		100.00	非同一控制合并
泰州市华颐餐饮服务有限公司	江苏泰州	江苏泰州	餐饮服务		100.00	非同一控制合并
泰州华欣商务管理有限公司	江苏泰州	江苏泰州	商务管理		100.00	非同一控制合并
泰州华冠餐饮管理有限公司	江苏泰州	江苏泰州	餐饮管理		100.00	非同一控制合并
泰州乾富商贸有限公司	江苏泰州	江苏泰州	批发和零售业		100.00	非同一控制合并
泰州苏艺影城有限公司	江苏泰州	江苏泰州	文化、体育和娱乐业		100.00	非同一控制合并
泰州华轩酒店管理有限公司	江苏泰州	江苏泰州	酒店管理		100.00	非同一控制合并
泰州华力美健身管理有限公司	江苏泰州	江苏泰州	文化、体育和娱乐业		100.00	非同一控制合并
泰州华祥酒店管理有限公司	江苏泰州	江苏泰州	酒店管理		100.00	非同一控制合并
泰州华耀酒店管理有限公司	江苏泰州	江苏泰州	酒店管理		100.00	非同一控制合并
泰州华宿公寓管理有限公司	江苏泰州	江苏泰州	公寓管理		100.00	非同一控制合并
泰州瑞盈酒店管理有限公司	江苏泰州	江苏泰州	酒店管理		100.00	非同一控制合并
江苏新智源医学科技有限公司	江苏泰州	江苏泰州	专用设备制造业		90.00	非同一控制合并
泰州国展展览有限公司	江苏泰州	江苏泰州	商务服务业		100.00	设立

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	
泰州华腾体育管理有限公司	江苏泰州	江苏泰州	体育业		100.00	设立

（二）在合营安排或联营企业中的权益

1、重要的合营企业或联营企业

合营企业或联营企业名称	主要经营地	注册地	业务性质	持股比例（%）		对合营企业或联营企业投资的会计处理方法
				直接	间接	
泰州医药高新区华银金融投资有限公司	泰州	泰州	金融	31.5		权益法
中节能新能源泰州有限公司	泰州	泰州	新能源		22.50	权益法
华电泰州医药城新能源有限公司	泰州	泰州	新能源		40.00	权益法

九、关联方及关联交易

（一）本企业的母公司情况

本企业的实际控制人为泰州医药高新技术产业园区管理委员会。

（二）本企业的子公司情况

本企业子公司的情况详见附注八、（一）。

（三）本企业合营和联营企业情况

本企业重要的合营或联营企业详见附注八、（二）。

本期与本公司发生关联方交易，或前期与本公司发生关联方交易形成余额的其他合营或联营企业情况如下：

合营或联营企业名称	与本企业关系
泰州医药高新区华银金融投资有限公司	联营企业
中节能新能源泰州有限公司	联营企业
华电泰州医药城新能源有限公司	联营企业

（四）关联交易情况

1、购销商品、提供和接受劳务的关联交易

2020 年度，本公司无购销商品、提供和接受劳务的关联交易。

2、关联受托管理/承包及委托管理/出包情况

2020 年度，本公司与关联方无受托管理/承包及委托管理/出包情况。

3、关联租赁情况

2020 年度，本公司与关联方无租赁情况。

4、关联担保情况

2020 年度，本公司与关联方无担保情况。

5、关联方资金拆借

2020 年度，本公司与关联方无资金拆借。

6、关联方资产转让、债务重组情况

2020 年度，本公司与关联方无资产转让、债务重组情况。

十、承诺及或有事项

（一）或有事项

1、资产负债表日存在的重要或有事项

担保单位	被担保单位	担保金额 (万元)	是否为纳入合并范围的关联方
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	126,000.00	否
泰州东方中国医药城控股集团有限公司	江苏泰州港核心港区投资有限公司	83,330.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	28,000.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	14,000.00	否
泰州东方中国医药城控股集团有限公司	泰州新滨江开发有限责任公司	20,000.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	20,000.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	17,500.00	否
泰州东方中国医药城控股集团有限公司	泰州市港口开发公司	15,000.00	否
泰州东方中国医药城控股集团有限公司	泰州新滨江开发有限责任公司	14,000.00	否
泰州东方中国医药城控股集团有限公司	泰州新滨江开发有限责任公司	13,200.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	10,000.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	10,000.00	否
泰州东方中国医药城控股集团有限公司	泰州通泰投资有限公司	10,000.00	否
泰州东方中国医药城控股集团有限公司	泰州新滨江开发有限责任公司	10,000.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	3,450.00	否
泰州东方中国医药城控股集团有限公司	泰州华诚医学投资集团有限公司	2,500.00	否
泰州东方中国医药城控股集团有限公司	泰州新滨江开发有限责任公司	6,000.00	否
泰州东方中国医药城控股集团有限公司	泰州港润投资发展有限公司	4,950.00	否

担保单位	被担保单位	担保金额 (万元)	是否为纳入合并范围的关联方
泰州东方中国医药城控股集团有限公司	泰州新区新农村投资发展有限公司	4,800.00	否
泰州东方中国医药城控股集团有限公司	泰州菲思特建设工程有限公司	3,200.00	否
合计		415,930.00	

除上述事项外，截至 2020 年 12 月 31 日，本公司无其他需要披露的重要或有事项

十一、资产负债表日后事项

截至本财务报表对外报出日，本公司不存在应披露的资产负债表日后事项。

十二、其他重要事项

(一) 前期会计差错更正

本公司本报告期间不存在前期差错更正。

十三、母公司财务报表主要项目注释

(一) 其他应收款

1、项目列示

项目	期末余额	期初余额
应收利息		
应收股利		
其他应收款	9,790,489,820.34	8,714,326,489.55
合计	9,790,489,820.34	8,714,326,489.55

2、其他应收款

(1) 其他应收款分类披露

类别	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
	金额	比例 (%)	金额	计提比例 (%)		金额	比例 (%)	金额	计提比例 (%)	
单项金额重大并单独计提坏账准备的其他应收款										
按组合计提坏账准备的其他应收款										
组合1：账龄组合	162,491,173.89	1.66	11,297,636.25	6.95	151,193,537.64	337,676,993.72	3.87	11,617,966.42	3.44	326,059,027.30
组合2：无风险组合	9,639,296,282.70	98.34			9,639,296,282.70	8,388,267,462.25	96.13			8,388,267,462.25
组合小计	9,801,787,456.59	100.00	11,297,636.25	0.12	9,790,489,820.34	8,725,944,455.97	100.00	11,617,966.42	0.13	8,714,326,489.55
单项金额不重大但单独计提坏账准备的其他应收款										
合计	9,801,787,456.59	/	11,297,636.25	/	9,790,489,820.34	8,725,944,455.97	/	11,617,966.42	/	8,714,326,489.55

组合中，按账龄分析法计提坏账准备的其他应收款：

账龄	期末余额		
	其他应收款	坏账准备	计提比例 (%)
1 年以内	107,733,116.56	1,077,331.17	1.00
1—2 年	18,987.03	949.35	5.00
2—3 年	49,090,474.40	4,909,047.44	10.00
3—4 年			
4—5 年	676,575.21	338,287.61	50.00
5 年以上	4,972,020.69	4,972,020.68	100.00
合计	162,491,173.89	11,297,636.25	

(二) 长期股权投资

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	2,193,000,000.00		2,193,000,000.00	1,669,908,200.00		1,669,908,200.00
对联营、合营企业投资	1,445,728,700.00		1,445,728,700.00	857,486,000.00		857,486,000.00
合计	3,638,728,700.00		3,638,728,700.00	2,527,394,200.00		2,527,394,200.00

1、对子公司投资

被投资单位	期初余额（账面价值）	本期增减变动				期末余额（账面价值）
		追加投资	减少投资	计提减值准备	其他	
泰州医药城华艺商务服务有限公司	-	351,000,000.00				351,000,000.00
泰州安力昂生物制药有限公司	350,000,000.00	300,000,000.00				650,000,000.00
泰州医药城华盈商贸有限公司	200,000,000.00					200,000,000.00
江苏华联东方置业有限公司	300,000,000.00					300,000,000.00
泰州华美物业管理有限公司	2,000,000.00					2,000,000.00
泰州泰昇医药产业投资有限公司	10,000,000.00					10,000,000.00
泰州中昂投资管理有限公司	50,000,000.00	10,000,000.00				60,000,000.00
江苏华创医药研发平台管理有限公司	50,000,000.00					50,000,000.00
江苏华裕公共设施管理服务有限公司	20,000,000.00					20,000,000.00
泰州市鸿鑫科技小额贷款有限公司	137,908,200.00		137,908,200.00			
泰州医药高新区华融资产经营有限公司	500,000,000.00					500,000,000.00
江苏华泰疫苗工程技术研究有限公司	50,000,000.00					50,000,000.00
合计	1,669,908,200.00	661,000,000.00	137,908,200.00		-	2,193,000,000.00

2、对联营、合营企业投资

投资单位	期初余额（账面价值）	本期增减变动								期末余额（账面价值）	减值准备 期末余额
		追加投资	减少投资	权益法下确认的投资损益	其他综合收益调整	其他权益变动	宣告发放现金股利或利润	计提减值准备	其他		
联营企业											
泰州医药高新区 华银金融投资有 限公司	857,486,000.00	588,242,700.00								1,445,728,700.00	
合计	857,486,000.00	588,242,700.00								1,445,728,700.00	

(三) 营业收入和营业成本

1、营业收入和营业成本

项目	本期发生额		上期发生额	
	收入	成本	收入	成本
主营业务	641,495.91		683,441.58	

(四) 投资收益

项目	本期发生额	上期发生额
处置长期股权投资产生的投资收益	43,387,800.00	67,486,000.00

泰州东方中国医药城控股集团有限公司

二〇二一年四月二十八日

