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This announcement and the listing document referred to herein are not intended to be and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

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

Notice to Hong Kong investors: The Issuer confirms that the Notes (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and are listed on the SEHK on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.



Wuhan Financial Holdings (Group) Co., Ltd. (武漢金融控股(集團)有限公司)

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

U.S.\$450,000,000 3.40 PER CENT. NOTES DUE 2024 (STOCK CODE: 40918)

PUBLICATION OF THE OFFERING CIRCULAR

This announcement is made by the Issuer pursuant to Rule 37.39A of the Listing Rules.

Reference is made to the notice of listing of U.S.\$450,000,000 3.40 per cent. notes due 2024 (the "Notes") on the SEHK dated 16 November 2021 published by the Issuer. The offering circular dated 9 November 2021 referred to therein is appended to this announcement.

Hong Kong, 17 November 2021

As at the date of this announcement, the directors of the Issuer are Mr. Chen Zanxiong, Mr. Mei Lin, Mr. Guan Zhiwu and Mr. Ren Weilin. The independent directors of the Issuer are Ms. Zheng Tao and Mr. Liu Cong.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

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

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

THE NOTES (THE "NOTES") DESCRIBED IN THE OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE NOTES 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 CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON OR ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the Notes, investors must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to China International Capital Corporation Hong Kong Securities Limited, China CITIC Bank International Limited, China Industrial Securities International Brokerage Limited, Industrial Bank Co., Ltd. Hong Kong Branch, China Zheshang Bank Co., Ltd. (Hong Kong Branch), China PA Securities (Hong Kong) Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Silk Road International Capital Limited, Bank of China Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, Shenwan Hongyuan Securities (H.K.) Limited, CLSA Limited and CMB International Capital Limited (together, the "Joint Lead Managers") and the Issuer (as defined in the Offering Circular) that (1) you and any customers you represent are not, and 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) your stated electronic mail address to which this e-mail has been delivered is not located in the United States and that you consent to delivery of the Offering Circular and any amendment or supplements thereto by electronic transmission.

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

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

The materials relating to the issue of the Notes do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the issue of the Notes be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the issue of the Notes shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer and the Joint Lead Managers, the Trustee and the Agents (each as defined in the Offering Circular), nor any person who controls any of them nor any of their respective directors, offices, employees, agents, representatives, advisers or affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version. You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

'UHAN FINANCIAL HOLDINGS (GROUP) CO., LTD. (武漢金融控股(集團)有限公司)

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

U.S.\$450,000,000 3.40 per cent. Notes Due 2024 Issue price: 100.00 per cent.

Wuhan Financial Holdings (Group) Co., Ltd. (武漢金融控股(集團)有限公司)(the "Issuer") proposes to issue the U.S.\$450,000,000 3.40 per cent. Notes due 2024 (the "Notes"). The Notes will be direct, unconditional and unsubordinated and (subject to the provision of Condition 4 of the Terms and Conditions of the Notes (the "Terms and Conditions")) unsecured obligations of the Jerus.

The Notes bear interest from and including 16 November 2021 (the "Issue Date") at the rate of 3.40 per cent. per annum. Interests will be payable semi-annually in arrear on 16 May and 16 November in each year (each an "Interest Payment Date"), commencing on 16 May 2022. Payments on the Notes will be made without deduction or withholding for or on account of taxes of the PRC (as defined below) or any political subdivision or any authority therein or thereof having power to tax to the extent described under "Terms and Conditions of the Notes — Taxation".

Unless previously redeemed, purchased or cancelled, the Notes will mature on 16 November 2024 at their principal amount. The Notes are subject to redemption in whole, but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the PRC at any time upon giving not less than 30 nor more than 60 days' notice. See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons".

The Notes may also be redeemed at the option of the holders at 101 per cent. of the principal amount, together with accrued interest, upon occurrence of a Change of Control (as defined in the Terms and Conditions) or at 100 per cent. of the principal amount, together with accrued interest, upon occurrence of a No Registration Event (as defined in the Terms and Conditions). See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption upon Change of Control or No Registration Event".

The Issuer undertakes that it shall (a) within 15 PRC Business Days (as defined in the Terms and Conditions of the Notes) after the Issue Date, register or cause to be registered with the State Administration of Foreign Exchange or its local branch ("SAFE") the Notes 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 "SAFE Registration"); (b) use its best endeavours to complete the SAFE Registration and obtain a registration record from SAFE or its local counterpart on or before the Registration Deadline (as defined in the Terms and Conditions of the Notes); and (c) comply with all applicable PRC laws and regulations in relation to registration of the Notes promulgated thereunder from time to time.

The Issuer has made an application for the filing registration (the "Pre-Issuance Registration") of the offering of the Notes with the National Development and Reform Commission of the People's Republic of China (the "NDRC") in accordance with the Circular on Promoting the Reform of the Filing and Registration System for Issuance by Enterprises of Foreign Debt (Fa Gai Wai Zi [2015] No. 2044) (the "NDRC Circular") (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知)(發改外資[2015] 2044號)) issued by the NDRC and which came into effect on 14 September 2015. The Issuer has received an Enterprise Foreign Debt Filing Registration Certificate(《企業發行外債備案登記證明》)dated 24 September 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 Notes within 10 PRC Business Days (sa defined in the Terms and Conditions) after the Issuer Billing").

The PRC Government is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes. This position has been reinforced by the Circular of the Ministry of Finance on Matters Concerning Regulating the Investment and Financing Activities of Financial Institutions for Local Governments and State owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知)(財金[2018]23號) promulgated on 28 March 2018 and took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improving Market Regulatory Regime and Taking Strict Precautions Against Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委附政部關於完善市場釣束機制嚴格防範外值風險和地方債務風險的通知)(發改外資[2018]706號) promulgated on 11 May 2018 and took effect on the same day, and the Notice of the General Office of the National Development and Reform Commission on Relevant Requirements for Record filing and Registration of Issuance of Foreign Debts by Local State owned Enterprises (國家發展改革委辦公廳關於對地方國有企業發行外債申請備家登記有關要求的通知)(發改辦外資[2019]666號) promulgated on 6 June 2019.

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

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

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

 $The \ Notes \ will \ be \ is sued \ in \ denominations \ of \ U.S.\$200,000 \ and \ integral \ multiples \ of \ U.S.\$1,000 \ in \ excess \ thereof.$

See "Risk Factors" beginning on page 14 for a discussion of certain factors to be considered in connection with an investment in the Notes

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction, and the Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold outside the United States in compliance with Regulation S under the Securities Act.

The Notes will initially be represented by a global certificate (the "Global Certificate") in registered form, which will be 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"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream. Except in the limited circumstances set out herein, individual certificates for Notes will not be issued in exchange for beneficial interests in the Global Certificate. See "Summary of Provisions Relating to the Notes while in Global Form" beginning on page 70. It is expected that delivery of the Global Certificate will be made on the Issue Date or such later date as may be agreed by the Issuer and the Joint Lead Managers (as defined in "Subscription and Sale").

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

China International China CITIC Bank China Industrial
Capital Corporation International Securities International

Joint Lead Managers and Joint Bookrunners

Industrial Bank Co., Ltd. Hong Kong Branch

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

China PA Securities (Hong Kong) Company Limited Shanghai Pudong Development Bank Hong Kong Branch

Silk Road International

Bank of China

China Everbright Bank Hong Kong Branch

Shenwan Hongyuan (H.K.)

CLSA

CMB International

NOTICE TO INVESTORS

The Issuer confirms that (i) this Offering Circular contains all information with respect to the Issuer and the subsidiaries of the Issuer taken as a whole (collectively, the "Group") and the Notes which is material in the context of the issue and offering of the Notes and necessary to enable investors 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 Notes, (ii) the statements of facts contained herein relating to the Issuer, the Group and the Notes are in every material respect true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular 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 or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular.

Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers named in "Subscription and Sale" (each a "Joint Lead Manager"), the Trustee (as defined in "Terms and Conditions of the Notes" (the "Terms and Conditions")) or the Agents (as defined in the Terms and Conditions) or any other person affiliated with the Joint Lead Managers, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision.

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

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them has independently verified the information contained in this Offering Circular. No representation or warranty, express or implied, is made or given by any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents, accept any responsibility for the contents of this Offering Circular or for any statement made or purported to be made by or on behalf of the Joint Lead Managers, the Trustee or the Agents, in connection with the Issuer or the issue and offering of the Notes. The Joint Lead Managers, the Trustee and the Agents accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, advisers, agents, officers or representatives or any person who controls any of them that any recipient of this Offering Circular should purchase the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisors as it deems necessary. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (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 Notes 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).

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

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

Certain monetary amounts in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and actual numbers may differ from those contained herein due to rounding.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING AS THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Notes described in this Offering Circular. None of the Issuer, the Joint Lead Managers, the Trustee, the Agents or any person who controls any of them or any of their respective directors,

employees, advisers, agents, affiliates, officers or representatives is making any representation to any offeree or purchaser of the Notes offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. Prospective purchasers of the Notes should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and consult with its own advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes as needed to make its investment decision and determine whether it is legally able to purchase the Notes under applicable laws or regulations.

The distribution of this Offering Circular and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Circular, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. There are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions, including the United States, the United Kingdom, Hong Kong, the PRC, Singapore and Japan and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Notes, and distribution of this Offering Circular, see "Subscription and Sale". By purchasing the Notes, investors represent and agree to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

Presentation of Financial Information

The Issuer prepares its consolidated financial statements in accordance with Accounting Standards for Business Enterprises in the PRC ("PRC GAAP"). PRC GAAP differs in certain material respects from the International Financial Reporting Standards ("IFRS"). For a discussion of certain differences between PRC GAAP and IFRS, see "Description of Certain Differences between PRC GAAP and IFRS" beginning on page 126. The selected consolidated income statements data for the years ended 31 December 2018, 2019 and 2020 and the selected consolidated balance sheet data as at 31 December 2018, 2019 and 2020, as set out in the section entitled "Summary Financial Information of the Issuer", have been derived from the Issuer's audited consolidated financial statements for the years ended 31 December 2019 and 2020 (respectively, the "2019 Audited Financial Statements" and "2020 Audited Financial Statements"), which have been audited by ShineWing Certified Public Accountants, the independent auditor of the Issuer ("ShineWing"). The selected consolidated financial information of the Issuer should not be relied upon to the same extent where financial information is presented together with the audited consolidated financial statements and the notes thereto. The Issuer's audited consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 has been extracted from the 2019 Audited Financial Statements and the 2020 Audited Financial Statements, which are included elsewhere in this Offering Circular together with the auditor's report in respect of such financial year.

The Issuer's summary consolidated financial information as at and for the six months ended 30 June 2020 and 2021 have been extracted from the Issuer's consolidated unaudited but reviewed interim financial statements as at and for the six months ended 30 June 2021 (the "Reviewed Interim Financial Statements"), included elsewhere in this Offering Circular, together with the review report in respect of such period. The Reviewed Interim Financial Statements have not been audited by the Issuer's independent auditor. Information contained in or derived from the Reviewed Interim Financial Statements may have been different if an audit had been conducted. Consequently, the Reviewed Interim Financial Statements should not be relied upon by investors to provide the same quality of

information associated with information that has been subject to an audit. The Joint Lead Managers, the Trustee and the Agents do not make any representation or warranty, expressed or implied, regarding the sufficiency of such unaudited financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Issuer's or the Group's financial condition, results of operations and results. Such unaudited financial information should not be taken as an indication of the expected financial condition, results of operations and results of the Issuer or the Group for the full financial year.

Exchange Rate Information

This Offering Circular contains translations of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of the readers. Unless otherwise specified, where financial information in relation to the Group has been translated into U.S. dollars, it has been so translated, for convenience only, at the rate of RMB6.4566 to U.S.\$1.00 (the noon buying rate in New York City on 30 June 2021 as set forth in the weekly H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York). Further information regarding exchange rate is set forth in "Exchange Rate Information" in this Offering Circular. No representation is made that the Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all.

Rounding

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

Certain Definitions and Conventions

Unless otherwise specified or the context requires, references to "Renminbi", "RMB" and "CNY" are to Renminbi, the lawful currency of the PRC, and references to "dollars", "U.S. dollars" and "U.S.\$" are to United States dollars. 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.

For the purposes of this Offering Circular, all references to "China", "mainland China" and the "PRC" are to the People's Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan), all references to "Hong Kong" are to the Hong Kong Special Administrative Region of the People's Republic of China and all references to the "United States" and the "U.S." are to the United States of America.

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

FORWARD-LOOKING STATEMENTS

The Issuer has made certain forward-looking statements in this Offering Circular. The statements in this Offering Circular which contain words and phrases such as "aim", "anticipate", "assume", "believe", "contemplate", "continue", "estimate", "expect", "future", "goal", "intend", "may", "objective", "plan", "predict", "positioned", "project", "risk", "seek to", "shall", "should", "will likely result", "will pursue", "plan" and words and terms of similar substance used in connection with any discussion of future operating or financial performance or the Group's expectations, plans, projections or business prospects identify forward-looking statements. In particular, the statements under the headings "Risk Factors" and "Description of the Group" regarding the Group's financial condition and other future events or prospects are forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

In addition to the risks related to the business of the Group discussed under "Risk Factors", other factors could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to, risks associated with international global business activities; general economic and political conditions; possible disruptions to commercial activities due to nature and human induced disasters, including terrorist activities and armed conflicts and fluctuations in foreign currency exchange rates.

By their nature, certain forward-looking statements relating to the business of the Group and other risks are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on the Group's income or results of operations could materially differ from those that have been estimated. For example, revenue could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realised.

Investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as at the date of this Offering Circular. Except as required by law, the Group is not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

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

Overview

The Group is an integrated investment and financial holding state-owned enterprise under the direct supervision of Wuhan SASAC. Since the establishment of the Group in 2005 and dating back to its predecessors, it has played a major role in the development and growth of the local and regional economies in the Central China region as the first homegrown licensed financial holding group in Hubei Province. In particular, as the sole platform of the Wuhan Municipal Government's efforts to establish a regional financial centre based in Wuhan and a state-owned enterprise directly held by Wuhan SASAC that is focused on industrial investment (especially in the areas of high technology and emerging industries) and comprehensive financial services, it has undertaken the mandate of spearheading Wuhan's investment in commerce, advanced manufacturing and other strategic industries and sectors. This has given the Group a first-mover advantage and enables it to enjoy, not only a generally supportive government sentiment toward its continuous expansion, but also certain favourable business policies promulgated by the Wuhan Municipal Government. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's total operating income was RMB37,454 million, RMB48,129 million, RMB38,983 million, RMB12,258 million and RMB23,247 million, respectively, and its net profit was RMB1,429 million, RMB1,739 million, RMB1,543 million, RMB759 million and RMB1,171 million for the same periods. With such strong financial performance, the Group has made sustained economic contributions to Wuhan.

The Group's businesses can be categorised into two main sectors, namely financial services sector and industrial sector, with the latter further divided into four principal sub-business lines: (i) commodity trading, (ii) integrated logistics services, (iii) real estate and (iv) industrial investment and operation, in addition to operation of certain other businesses. In terms of gross profit, the Group's financial services sector is currently the most significant contributor. In line with the Group's overall strategy of ensuring parallel development of its financial services and industrial sectors to achieve its objective of becoming a first-class integrated investment and financial conglomerate, it has expended substantial efforts into growing its financial services business, which remains a major focus for the Group. Expansion of the other four core businesses under industrial sector will also be carried out at a complementary pace, so as to ensure effective leverage of synergies created among its businesses for optimal results.

• Financial services sector. The Group has a diverse portfolio of financial services and products ranging from guarantees, entrusted loans, financial asset trading, financial leasing to trust services. In addition to holding equity investments in certain PRC commercial banks, including Hankou Bank (漢口銀行), Wuhan Rural Commercial Bank (武漢農村商業銀行) and Hubei Bank (湖北銀行), it has also established two funds: Wuhan Circular Economy Industrial Investment Fund (武漢循環經濟產業投資基金) and Hubei Integrated Circuit Industrial Investment Fund (湖北集成電路產業投資基金), and set up the first financial asset trading platform in the region, Wuhan Financial Assets Exchange (武漢金融資產交易所). For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB6,389 million, RMB6,653 million, RMB6,372 million, RMB3,159 million and RMB3,133 million, respectively, representing approximately 17.1 per cent., 13.8 per cent., 16.3 per cent., 25.8 per cent. and 13.5 per cent. of its total operating income for the same periods.

• Industrial sector:

- Commodity trading. The Group's commodity trading business primarily comprises (i) the sale and trading of petrochemical and petroleum products¹ and (ii) the trading of other commodities including cold chain commodity, metal, grain and grain products. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB23,769 million, RMB34,651 million, RMB25,834 million, RMB6,363 million and RMB14,890 million, respectively, representing approximately 63.5 per cent., 72.0 per cent., 66.3 per cent., 51.9 per cent. and 64.0 per cent. of its total operating income for the same periods.
- Integrated logistics services. The Group's integrated logistics services business primarily consists of processing logistics, warehouse-led logistics and transportation-led logistics. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB3,852 million, RMB3,755 million, RMB4,779 million, RMB1,801 million and RMB2,376 million, respectively, representing approximately 10.3 per cent., 7.8 per cent., 12.3 per cent., 14.7 per cent. and 10.2 per cent. of its total operating income for the same periods.
- Real estate. The Group's real estate business primarily consists of property development activities conducted through its subsidiary, Wuhan Changsheng Industry Co., Ltd. (武漢昌盛實業有限公司)("Wuhan Changsheng"). As at 30 June 2021, the Group had four completed properties with a total GFA of 97,697 square metres, and another two properties under development with a total GFA of 994,800 square metres. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB1,452 million, RMB2,001 million, RMB1,004 million, RMB612 million and RMB620 million, respectively, representing approximately 3.9 per cent., 4.2 per cent., 2.6 per cent., 5.0 per cent. and 2.7 per cent. of its total operating income for the same periods.
- Industrial investment and operation. The Group's industrial investment and operation business primarily consists of (i) biochemical drug production and (ii) investment holding. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB737 million, RMB534 million, RMB367 million, RMB119 million and RMB77 million, respectively, representing approximately 2.0 per cent., 1.1 per cent., 0.9 per cent., 1.0 per cent. and 0.3 per cent. of its total operating income for the same periods.
- Others. The Group also engages in other businesses, including (i) the leasing of new energy vehicles that are partially or fully powered by electricity and (ii) security escort services. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from other businesses was approximately RMB1,255 million, RMB535 million, RMB627 million, RMB204 million and RMB2,151 million, respectively, representing approximately 3.2 per cent., 1.1 per cent., 1.6 per cent. and 9.3 per cent. of its total operating income for the same periods.

Since the beginning of 2021, the Group has gradually ceased its trading and sales of petrochemical products and it is currently expected that this sub-sector will no longer generate operating income in 2021 and going forward. See "- Industrial sector - Commodity Trading - Sale and Trading of Petrochemical Products" below.

The tables below set forth the Group's operating income and gross operating profit by business sector, each expressed as a percentage for the periods indicated:

Operating income

	For the year ended 31 December				For the six months ended 30 June					
	2018	3	2019		2020		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
				(RMB in	millions, exce	ept for per	centages)			
Financial services sector	6,389	17.1	6,653	13.8	6,372	16.3	3,159	25.8	3,133	13.5
Industrial sector	31,065	82.9	41,476	86.2	32,611	83.7	9,099	74.2	20,114	86.5
Commodity trading	23,769	63.5	34,651	72.0	25,834	66.3	6,363	51.9	14,890	64.0
Integrated logistics services	3,852	10.3	3,755	7.8	4,779	12.3	1,801	14.7	2,376	10.2
Real estate	1,452	3.9	2,001	4.2	1,004	2.6	612	5.0	620	2.7
Industrial investment and operation	737	2.0	534	1.1	367	0.9	119	1.0	77	0.3
Others	1,255	3.2	535	1.1	627	1.6	204	1.6	2,151	9.3
Operating income	37,454	100.0	48,129	100.0	38,983	100.0	12,258	100.0	23,247	100.0

Gross operating profit

	For the year ended 31 December				For the six months ended 30 June					
	2018	3	2019		2020		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
				(RMB in	millions, exce	ept for per	centages)			
Financial services sector	5,448	66.9	5,413	69.7	5,067	80.8	2,493	83.3	2,235	64.7
Industrial sector	2,696	33.1	2,355	30.3	1,201	19.2	499	16.7	1,220	35.3
Commodity trading	1,403	17.2	1,170	15.1	191	3.0	68	2.3	135	3.9
Integrated logistics services	348	4.3	373	4.8	332	5.3	148	4.9	215	6.2
Real estate	312	3.8	307	4.0	207	3.3	110	3.7	97	2.8
Industrial investment and operation	541	6.6	395	5.1	282	4.5	77	2.6	95	2.7
Others	92	1.2	110	1.3	189	3.1	96	3.2	678	19.6
Gross operating profit	8,144	100.0	7,768	100.0	6,268	100.0	2,992	100.0	3,455	100.0

Competitive Strengths

The Group believes that the following strengths are key to its consistent growth and enable it to compete successfully within the industries in which it operates:

- Sole platform for the Wuhan Municipal Government's vision to establish a regional financial centre
- Prominent state-owned enterprise facilitating regional industrial upgrading and transformation
- Well-positioned to capitalise on fast-paced local and regional growth trends as well as a favourable supportive government sentiment toward incubating core industrial projects
- Prudent investment management and stringent risk management control
- Strong and highly experienced management team fostering a positive corporate culture

Business Strategies

The Group plans to implement the following business strategies in order to maintain constant business and operational growth and enhance its profitability:

- Continue to pursue parallel integrated development of, and leverage synergies among, its financial services and industrial sector businesses
- Enhance business portfolio and optimise resource allocation
- Further strengthen and promote sound management and enrich corporate governance
- Continue to diversify financing channels and explore innovative financing methods

Recent Development

Performance of the Group for the Nine Months Ended 30 September 2021

The Issuer has published its interim consolidated financial statements as at and for the nine months ended 30 September 2021 (the "Issuer's Interim Financial Statements") on the website of Shanghai Clearing House, but such financial statements have not been audited or reviewed by an independent auditor and may be subject to further adjustments if subject to an audit or a review. The Issuer's Interim Financial Statements should not be taken as an indication of the Group's business, financial condition or results of operation expected for these periods and potential investors should not rely on such interim financial information to evaluate the Group's financial condition and results of operation for these periods or the full year ending 31 December 2021. For the avoidance of doubt, the Issuer's Interim Financial Statements are not incorporated by reference herein and do not constitute part of this Offering Circular.

For the nine months ended 30 September 2021, the Group's total revenue increased as compared to the same period in 2020 primarily due to increased revenue generated from its commodity trading business. Increases in operating profit and net profit in respect of the Group's financial services business also led to overall increases in its total operating profit and total net profit for the nine months ended 30 September 2021 as compared to the same period in 2020. Correspondingly, and given the continued expansion of the Group's business scale, total operating cost also recorded an increase, particularly in taxes and surcharges, selling expenses, research and development expenses and finance expenses. However, the Group's non-operating income decreased for the nine months ended 30 September 2021 as compared to the same period in 2020 mainly due to a decrease in government grants to Wuhan Trade State-owned Holding Group Co., Ltd.

As at 30 September 2021, the Group's total assets increased as compared to the balance as at 31 December 2020, primarily due to increases in accounts receivable, prepayments, inventories, debt investments, long-term receivables, fixed assets, investments in other equity instruments, and other non-current financial assets, all of which are in line with the enlarged scale of the Group's business operations. The Group's total liabilities increased as compared to the balance as at 31 December 2020 was primarily attributable to an increase in total non-current liabilities as the Group incurred more long-term loans and bonds payable to meet new financing needs brought about by its business growth, which was partially offset by the decrease in current portion of non-current liabilities as the Group made partial repayments of certain existing long-term borrowings.

None of the Joint Lead Managers, the Trustee, the Agents, or any of their respective directors, affiliates, officers, advisers, employees or agents makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to the Issuer's Interim Financial Statements.

See also "Risk Factors – Risks Relating to the Group in General – The Issuer has published, and may continue to publish, periodical financial information in the PRC pursuant to applicable PRC regulations and the rules of relevant stock exchanges. Investors should be cautious and should not place any reliance on the financial information other than that disclosed in this Offering Circular."

Proposed Equity Acquisition of Minsheng Securities

On 19 July 2021, the Group entered into an agreement of intent ("AOI") with Oceanwide Holding Co., Ltd. (泛海控股股份有限公司)(SSE stock code: 000046) ("Oceanwide") in respect of the proposed acquisition of no less than a 20.0 per cent. equity interest in Minsheng Securities Co. (民生證券股份有限公司)("Minsheng Securities"), a subsidiary of Oceanwide. Pursuant to the AOI, the final equity interest, purchase consideration and terms and conditions of the proposed acquisition were subject to further negotiations following the conduct of requisite due diligence and will be set forth in a definitive share transfer agreement. On 17 September 2021, after completing the due diligence work, the Group decided to not to proceed with the proposed acquisition and terminated the AOI. None of the Group,

Oceanwide or Minsheng Securities has any liability from such termination, and any costs and expenses incurred in relation to the proposed acquisition will be borne by the respective incurring party. The advance payment was fully refunded to the Group. The termination of the proposed acquisition does not and will not have any adverse impact on the Group's business, financial condition, results of operations or prospects.					

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The summary consolidated financial information of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020 set forth below is derived from the 2019 Audited Financial Statements and 2020 Audited Financial Statements (both of which have been audited by ShineWing). The summary consolidated financial information of the Issuer as at and for the six months ended 30 June 2020 and 2021 set forth below is derived from the Reviewed Interim Financial Statements (which have been reviewed by ShineWing). Information contained in or derived from these financial statements may have been different if an audit had been conducted. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness or sufficiency of the Reviewed Interim Financial Statements for an assessment of, and potential investors must exercise caution when using such information to evaluate the Group's financial condition and results of operations. Potential investors therefore should not rely upon such information as providing the same quality as audited information. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them has independently verified any of the information contained therein and they can give no assurance that such information is accurate, truthful or complete. The Issuer's financial statements for any interim period should not be taken as an indication of the expected financial condition and results of operations of the Group for the full financial year. Historical results are not necessarily indicative of

results that may be achieved in any future period. The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the relevant consolidated financial statements of the Issuer and the notes thereto, which are included in the F-pages of this Offering Circular.
The Issuer's consolidated financial statements were prepared in accordance with PRC GAAP. PRC GAAP differs in certain material respects from IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see "Description of Certain Differences between PRC GAAP and IFRS".

SUMMARY CONSOLIDATED INCOME STATEMENT DATA

	Year	r ended 31 Decembe	Six months ended 30 June		
	2018	2018 2019		2020	2021
T. 1.	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (reviewed)	(RMB'000) (reviewed)
Total operating revenue	37,453,919	48,128,601	38,982,893	12,257,597	23,247,075
Total operating need	37,453,919	48,128,601	38,982,893	12,257,597	23,247,075
Total operating cost Including: Operating cost	35,677,398 29,309,438	46,649,556 40,361,431	38,631,971 32,715,459	12,133,531 9,265,375	22,673,592 19,791,895
Interest expenses	29,309,436	40,301,431	32,713,439	9,203,373	19,791,895
Taxes and surcharges	1,400,913	1,148,429	143,339	56,748	83,106
Selling expenses	448,037	406,687	332,376	146,575	150,124
General and administrative expenses	1,360,315	1,406,273	1,371,934	535,253	660,545
Research and development expenses	30,490	23,961	18,488	8,837	40,433
Finance expenses	3,128,205	3,302,775	4,050,375	2,120,743	1,947,213
Including: Interest expenses	3,256,326	3,424,246	4,302,437	2,120,743	2,023,814
Interest income	162,986	204,536	319,617		33,961
Exchange net loss	(525)	3,406	(198,643)		(27,053)
Add: Other gains	139,771	84,973	147,047	52,710	30,918
Gain from investment	463,430	1,032,070	2,176,308	1,040,170	876,579
Including: Investment income from associates and joint	405,430	1,032,070	2,170,500	1,040,170	670,377
ventures	227,189	524,118	61,724	226,080	190,972
value	9,108	10,162	(8,618)	176	60,727 62,760
Impairment losses on assets	(428,696)	(504,841)	(792,815)	(219,988)	(1,391)
Gain on disposal of assets	152,759	203,817	317,364	112,012	2,573
Operating profit	2,112,893	2,305,226	2,190,208	1,109,146	1,605,649
Add: Non-operating income	34,236	66,149	101,099	3,929	42,523
Including: Government grants	12,571	27,221	12,442	47	38,176
Less: Non-operating expenses	23,751	6,260	36,572	34,662	84,170
Total profits	2,123,378	2,365,115	2,254,735	1,078,413	1,564,002
Less: income tax expenses	694,034	625,780	711,526	318,930	393,239
Net profits	1,429,344	1,739,335	1,543,209	759,483	1,170,763
parent company	594,401	789,790	1,388,000	554,669	990,655
Non-controlling interests	834,943	949,545	155,209	204,814	180,108
Net after-tax amount of other comprehensive income	79,231	78,040	(1,429,762)	(520,045)	964
Total comprehensive income	1,508,575	1,817,375	113,447	239,438	1,171,727
Total comprehensive income attributable to owners of the parent company	673,632	867,830	162,030	237,212	991,630
attributable to the minority shareholders	834,943	949,545	(48,583)	2,226	180,097

SUMMARY CONSOLIDATED BALANCE SHEET DATA

	A	As at 30 June		
	2018	2019	2020	2021
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (reviewed)
Current assets:				
Cash and cash equivalents	8,500,844	11,760,970	10,640,257	10,668,530
Trading financial assets	_	_	_	5,605,707
Financial assets at fair value through profit or loss.	998,042	796,083	1,074,683	_
Notes receivable	28,745	404,642	125,603	501,115
Accounts receivable	1,215,008	975,815 -	1,355,629	2,032,105 38,249
Prepayments	1,692,388	1,415,242	3,559,066	3,869,003
Other receivables	9,780,814	13,171,125	12,210,308	13,093,623
Inventories	6,619,460	5,508,902	9,044,593	9,463,002
Including: Raw materials	710,085	1,729	2,753	106,040
Stock goods finished goods	1,036,197	1,426,207	3,802,327	4,057,616
Held-for-sale assets	_	8,816	8,864	6,369
Non-current assets due within one year	_	_	767,685	1,075,415
Other current assets	34,242,915	33,671,619	34,447,967	23,721,881
Total current assets:	63,078,216	67,713,214	73,234,655	70,074,999
Non-current assets:				
Debt investments	-	_	_	7,191,438
Available-for-sale financial assets	13,905,561	16,203,233	15,509,487	_
Held-to-maturity investments	83,217	_	_	_
Long-term receivables	19,452,214	25,480,449	30,950,008	37,576,518
Long-term equity investments	5,867,289	7,570,653	9,619,177	9,952,499
Investments in other equity instruments	-	_	_	5,648,005
Other non-current financial assets	_	_	_	6,251,596
Investment properties	1,426,540	1,509,428	1,475,305	978,751
Fixed assets	4,796,933	2,990,203	2,823,953	4,112,640
Construction in progress	1,749,090	2,676,326	3,148,380	3,446,122
Productive biological assets	1,442	1,442	1,198	1,100
Right-of-use assets	1.560.405	1 221 216	- 1 210 020	79,457
Intangible assets	1,568,405	1,231,316	1,218,838	2,043,524
Development expenditure	338	338	338	40,053
Goodwill	3,018,735	3,018,735	3,018,451	5,371,362
Long-term deferred expenses	38,505	47,711	62,640	112,188
Deferred tax assets	454,911 109,739	568,752 2,151,495	647,171 4,078,309	2,254,690 524,504
Total non-current assets	52,472,919	63,450,081	72,553,255	85,584,447
Total assets	115,551,135	131,163,295	145,787,910	155,659,446
Current liabilities:				
Short-term loans	4,757,815	3,163,360	4,655,004	8,946,337
Notes payable	988,583	151,905	398,560	1,054,294
Accounts payable	1,423,419	490,405	546,434	1,269,709
Advance from customers	1,168,634	1,318,549	2,057,276	845,784
Contract liabilities	_	_	_	1,088,131
Employee benefits payable	348,000	365,692	318,035	355,586
Including: salary payable	291,099	313,253	258,150	286,592
Welfare expenses payable	3,712	3,982	4,149	5,778
Taxes and fees payable	1,555,627	1,332,353	1,712,929	1,199,302
Including: Taxes payable	1,544,232	1,322,180	1,700,864	1,190,510
Other payables	5,639,060	5,969,376	8,571,400	7,780,354
Non-current liabilities due within one year	10,147,163	13,547,339	13,178,572	7,093,501
Other current liabilities	23,193,843	28,788,376	30,729,875	37,974,213
Total current liabilities	49,222,144	55,127,355	62,168,085	67,607,211

		s at 31 December		As at 20 June
	2018	2019	2020	As at 30 June 2021
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (reviewed)
Non-current liabilities:	,	, ,	,	,
Long-term borrowings	20,694,503	20,408,699	20,293,227	22,898,009
Bonds payable	6,658,921	12,470,256	20,818,720	25,245,130
Lease liabilities	_	_	_	115,401
Long-term payables	2,235,092	3,413,572	3,568,305	4,363,930
Long-term employee benefits payable	_	_	42,811	42,811
Provisions	25,916	25,916	28,339	30,285
Deferred income	368,405	351,348	269,232	284,533
Deferred tax liabilities	445,563	473,150	12,599	104,133
Other non-current liabilities	17,120	17,120	17,120	17,220
Total non-current liabilities	30,445,520	37,160,061	45,050,353	53,101,452
Total liabilities	79,667,664	92,287,416	107,218,438	120,708,663
Shareholders' equity				
Paid-in capital	3,970,204	4,030,000	4,310,963	7,560,000
Other equity instruments	2,000,000	4,100,000	4,600,000	4,600,000
Capital reserve	6,741,499	6,937,578	6,641,514	6,633,207
Other comprehensive income	1,116,412	1,194,452	(31,518)	(39,369)
Special reserve	3,117	3,117	3,117	3,164
Surplus reserve	22,372	22,372	22,372	382,383
General risk reserve	280,127	443,994	650,056	650,056
Retained earnings	2,994,775	3,390,491	4,328,099	299,059
Total equity attributable to the parent company	17,128,506	20,122,004	20,524,603	20,088,500
Non-controlling interests	18,754,965	18,753,875	18,044,869	14,862,283
Total equity	35,883,471	38,875,879	38,569,472	34,950,783
Total liabilities and equity	115,551,135	131,163,295	145,787,910	155,659,446

SUMMARY CONSOLIDATED CASH FLOW STATEMENT DATA

	Year ended 31 December			Six months en	ded 30 June
	2018	2019	2020	2020	2021
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (reviewed)	(RMB'000) (reviewed)
Net cash flow from operating					
activities	5,545,960	1,835,502	(2,218,838)	(3,279,481)	708,682
Net cash flow from investing					
activities	(3,021,245)	(5,100,336)	(3,603,337)	(2,796,738)	(3,819,124)
Net cash flow from financing					
activities	534,948	6,340,058	4,719,313	5,060,150	2,881,762
Impact of exchange rate					
fluctuations on cash and cash					
equivalents	337	15,734	(12,274)	(183)	(259)
Net increase of cash and cash					
equivalents	3,060,000	3,090,958	(1,115,136)	(1,016,252)	(228,939)
Balance of cash and cash					
equivalents at the end of the					
period	8,174,950	11,408,165	10,293,029	10,467,290	10,062,054

THE OFFERING

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

團)有限公司)

Legal Entity Identifier (LEI). . . . 3003005XLJWUBV4K8S69

Notes. U.S.\$450,000,000 3.40 per cent. Notes due 2024

Registration..... The Issuer undertakes that it shall (a) within 15 PRC Business

Days after the Issue Date, register or cause to be registered with SAFE the Notes pursuant to the SAFE Registration; (b) use its best endeavours to complete the SAFE Registration and obtain a registration record from SAFE or its local counterpart on or before the Registration Deadline; and (c) comply with all applicable PRC laws and regulations in relation to registration of

the Notes promulgated thereunder from time to time.

Maturity Date 16 November 2024.

The Offering The Notes are being offered outside the United States in reliance

on Regulation S (Category 1) under the Securities Act. See

"Subscription and Sale".

Interest The Notes will bear interest from and including 16 November

2021 at the rate of 3.40 per cent. per annum, payable semiannually in arrear on 16 May and 16 November in each year,

commencing on 16 May 2022.

Status of the Notes The Notes are direct, unconditional, unsubordinated and (subject

to the provisions of Condition 4 of the Terms and Conditions) unsecured obligations of the Issuer and (subject as stated above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by

applicable laws relating to creditors' rights.

Negative Pledge The Notes will contain a negative pledge provision as further

described in Condition 4.1 (Negative Pledge) of the Terms and

Conditions.

Terms and Conditions.

Cross Default..... The Notes will contain a cross default provision as further

described in Condition 10.1(c) of the Terms and Conditions.

Taxation All payments in respect of the Notes by or on behalf of the Issuer

shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future Taxes (as defined in the Terms and Conditions) imposed, levied, collected, withheld or assessed by or on behalf of the PRC or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. Where such withholding or deduction is made by the Issuer by or within the PRC at the rate of up to and including the aggregate rate applicable on 9 November 2021 (the "Applicable Rate"), the Issuer will pay such additional amounts as may be necessary in order that the net amount received by Noteholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction. If the Issuer is required to make a deduction or withholding by or within the PRC in excess of the Applicable Rate, the Issuer will pay such additional amounts ("Additional Tax Amounts") as may be necessary in order that the net amount received by Noteholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, save for certain exceptions. See "Terms and Conditions of the Notes -Taxation".

Redemption at Maturity..... Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity

Date.

Redemption for Taxation Reasons

but not in part, at their principal amount together with accrued interest, in the event that the Issuer would be required to pay Additional Tax Amounts as provided or referred to in Condition 8 (*Taxation*) of the Terms and Conditions in respect of the Notes as

a result of any change in, or amendment to, the laws or regulations of the PRC, or any change in, or amendment to, the application or official interpretation thereof which becomes effective on or after 9 November 2021. See "Terms and Conditions of the Notes – Redemption and Purchase –

The Notes may be redeemed at the option of the Issuer in whole,

Redemption for Taxation Reasons".

Redemption upon Change of Control or No Registration Event..... A Noteholder shall have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of such Noteholder's Notes at 101 per cent. of their principal amount together with accrued interest following the occurrence of a Change of Control or at 100 per cent. of their principal amount together with accrued interest following the occurrence of a No Registration Event. See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption upon Change of Control or No Registration Event".

Form and Denomination.....

The Notes will be issued in registered form in amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Notes will initially be represented by a Global Certificate deposited on the Issue Date with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream. Except in the limited circumstances described in the relevant Global Certificate, definitive certificates for the Notes will not be issued in exchange for beneficial interests in such Global Certificate. See "Summary of Provisions Relating to the Notes while in Global Form".

Clearing Euroclear and Clearstream.

Governing Law The Notes, the Trust Deed and any non-contractual obligations arising out of or in connection therewith will be governed by and

construed in accordance with English law.

Further Issues The Issuer may from time to time in accordance with the Trust Deed without the consent of the Noteholders create and issue further notes or bonds either (i) ranking pari passu in all respects (or in all respects save for their issue date and the first payment of interest thereon, the NDRC Post-issue Filing and the SAFE Registration) and so that the same shall be consolidated and form a single series with the outstanding notes or securities of any series (including the Notes) constituted by the Trust Deed or any

series (including the Notes) constituted by the Trust Deed or any supplemental deed or (ii) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of issue, subject to certain conditions as further described in Condition 16 (Further Issues) of the Terms and Conditions. See "Terms and Conditions of the Notes –

Further Issues".

Trustee Citicorp International Limited

Principal Paying Agent. Citibank, N.A., London Branch

Transfer Agent Citibank, N.A., London Branch

Registrar..... Citibank, N.A., London Branch

Listing	Application will be made to the Hong Kong Stock Exchange for the listing of and permission to deal in the Notes, by way of debt issues to Professional Investors only.
Selling Restrictions	The Notes have not been and will not be registered under the Securities Act or under any state securities laws of the United States and, subject to certain exceptions, may not be offered or sold within the United States, the United Kingdom, Hong Kong, the PRC, Singapore and Japan. The Notes may be sold in other jurisdictions only in compliance with applicable laws and regulations. See "Subscription and Sale".
Use of Proceeds	The net proceeds of the issue of the Notes will be used to repay existing offshore debt, engage in project investments in the PRC and replenish working capital. See "Use of Proceeds".
ISIN	XS2401933960.
Common Code	240193396.

RISK FACTORS

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

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

RISKS RELATING TO THE GROUP IN GENERAL

The Group's business is heavily dependent on the level of economic development in Wuhan, Hubei Province and the PRC.

The Group operates its business primarily in Wuhan, the provincial capital of Hubei Province in the PRC and its assets and operations are highly concentrated in Wuhan. Therefore, the Group's business, financial condition, results of operations and prospects have been and will continue to be heavily dependent on the level of economic development in Wuhan, Hubei Province and the PRC.

The economy of the PRC experienced rapid growth in the past 30 years. There has been a slowdown in the growth of the PRC's gross domestic product ("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 PRC's GDP growth rate in 2019 was 6.1 per cent., which decreased slightly from 6.6 per cent. in 2018, and the PRC's GDP growth rate in 2020 was 2.3 per cent., which was primarily due to the outbreak of and impact from the COVID-19 pandemic. The national economic condition of the PRC has a material effect on the regional economic performance in the PRC. According to the National Statistics Bureau of the PRC, the annual growth rate of Hubei Province's GDP decreased from 14.8 per cent. for 2010 to 7.5 per cent. for 2019 and declined to -5.0 per cent. for 2020 which was primarily due to the outbreak of and impact from the COVID-19 pandemic, as well as the lock down in the PRC during the first half of 2020. Although Hubei Province recorded a growth rate of 58.3 per cent. in the first quarter of 2021, the slowdown of the GDP growth over the past decade was in line with the change in the PRC's GDP growth rate during the same period.

Future prospects of the economies of the PRC, Hubei Province and Wuhan depend on many different factors, most of which are beyond the Group's control. It is uncertain how the economic condition and future development in Hubei Province will be affected by the slowdown in the growth of the PRC's economy. There is no assurance that the economy of Hubei Province will recover or continue to be maintained at historical growth rates, if at all. Any further slowdown of the PRC economy, including a slowdown caused by the effects of the ongoing COVID-19 pandemic, may create a credit-tightening environment, increase the Group's financing costs, negatively affect the government's fiscal income and investment in fixed assets or reduce governmental subsidies to the Group. Continued slowdown in the

economic growth in Hubei Province and any adverse change in the economic, political or social conditions in Wuhan or the occurrence of any significant natural disaster or catastrophic event in Wuhan may decrease the demand for the Group's business and adversely affect the Group's business, financial condition, results of operations and prospects. See "— The Group's business may be affected by an outbreak, or threatened outbreak, of any severe contagious disease which may in turn significantly reduce demand for the Group's services and have an adverse effect on its financial condition and results of operations."

PRC regulations on the administration of the financing platforms and debts of local governments may have a material impact on the Group's business and sources of financing.

Various PRC government entities maintain and enforce regulations related to local government financing vehicles ("LGFVs"). These government entities, including the Ministry of Finance (the "MOF"), may from time to time interpret relevant laws and regulations differently based on their own interpretation of the specific activities engaged in by enterprises such as the Issuer. The Issuer therefore cannot be certain that certain regulations intended to apply to LGFVs do not or will not apply to it or that such regulations will not be retroactively applied to it.

In September 2014, the State Council of the PRC (the "State Council") released the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (關於加強地方政府性債務管理的 意見)(國發[2014]43號)("Circular 43") with an aim to control a significant increase in local government debts and associated risks in the PRC's banking system. Circular 43 generally prohibits local governments to incur "off-balance" indebtedness to finance the development of government projects and other public interest projects with the proceeds of the borrowings incurred by financing platforms the relevant local governments own or control. In April 2017, the MOF, together with NDRC, the People's Bank of China (the "PBOC"), the China Securities Regulatory Commission (the "CSRC"), the China Banking Regulatory Commission (the "CBRC") and the Ministry of Justice, released the Notice concerning Further Regulation of Local Government Borrowing and Financing Conduct (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) to emphasise the principles and policies set out in Circular 43. In the event the Issuer is deemed a financing platform of the relevant local government, the Group's results of operations and financial condition may be heavily affected by such changes in applicable regulations, including Circular 43. Consequently, the Group should rely upon the cash flow generated from its operations and external borrowings to satisfy its cash needs for servicing its outstanding indebtedness and for financing its operating activities.

In addition, the PRC government issued Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府 和國有企業投融資行為有關問題的通知, 財金[2018]23號)(財金[2018]23號)(the "MOF Circular"), effective on 28 March 2018, which aims to increase the responsibility of the PRC state-owned financial institutions to investigate the financial independence and liquidity level of local government financing vehicles that they assist in fundraising. On 11 May 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 (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)(the "Joint Circular") was released which reiterates the PRC government's position to isolate the debt of local government financing vehicles from the relevant local government and to control the increase of local governments' debt. The Joint Circular requires companies that plan to borrow medium and longterm foreign debt to establish a sound and standardised corporate governance structure, management decision-making mechanism and financial management system. It further requires assets owned by such companies be of good quality with clear ownership and public interest assets are prohibited from being included in corporate assets. The Joint Circular also reaffirms that the offering circulars for bonds issuances shall not disclose information that can implicitly or explicitly indicate the government's endorsement, such as local financial revenues and expenditures and government debt information or conduct misleading publicity that implies an association with the government's credit. In addition, the liability of the local government as the shareholder of such foreign-debt-incurring enterprises shall be limited to its agreed obligation to contribute to the registered capital of such enterprises, and the relevant foreign debts should be solely repaid by such enterprises as independent legal persons. Furthermore, pursuant to the Circular on Relevant Requirements of the Registration of the Application for the Issuance of Foreign Debts by Local State-owned Enterprises 《國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知》promulgated by the NDRC and came into effect on 6 June 2019 ("Circular 666"), foreign debts issued by local state-owned enterprises that undertake local government's financing functions will only be used to repay medium and long-term foreign debts due within one year.

The Group believes that the PRC government will continue to implement Circular 43, the Joint Circular, the MOF Circular, Circular 666 and other relevant regulations to control local government debts. Although the Group believes the impact of Circular 43, the Joint Circular, the MOF Circular, Circular 666 on the Group is very limited, the Group should rely on the cashflow generated from its operations and external borrowings to satisfy its cash needs for servicing its outstanding indebtedness and for financing its operating activities. The PRC government may continue to release new policies or amend existing regulations to control the increase in local government debts in China. The Group may be required to further change its financing model and business model, which may have a material impact on its business, financial condition, results of operations and prospects.

In particular, neither the Wuhan Municipal Government nor any other PRC governmental entity has any obligation to repay any amount under the Notes and will not provide a guarantee of any kind for the Notes. The Wuhan Municipal Government only has limited liability in the form of its equity contribution in the Issuer and the Notes are solely to be repaid by the Issuer and the obligations of the Issuer under the Notes or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. If the Issuer does not fulfil its obligations under the Notes and the Trust Deed, the Noteholders will only have recourse against the Issuer, and not the Wuhan Municipal Government or any other PRC governmental entity.

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

In light of the strategic importance of the Group's business and operations to Wuhan, the Group has benefited from, and relied on various forms of support from the Wuhan Municipal Government (in the form of asset and capital injections, subsidies and other grants, and tax incentives permissible under PRC laws and regulations), to meet its capital and other operation requirements. Please refer to "Description of the Group – Competitive Strengths – Well-positioned to capitalise on fast-paced local and regional growth trends as well as a favourable supportive government sentiment toward incubating core industrial projects" for further details. However, there can be no assurance that the Wuhan Municipal Government will continue to provide support to the Group or that the support it currently receives such as subsidies and other grants will not be adjusted or terminated due to changes in the government policies 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 and results of operations would be materially and adversely affected.

The State-owned Assets Supervision and Administration Commission of Wuhan Municipal Government ("Wuhan SASAC") exerts significant influence on the Group's business.

As at the date of this Offering Circular, the Issuer is wholly owned by Wuhan SASAC, which is responsible for the administration of many state-owned enterprises in Wuhan. As the Issuer's controlling shareholder, Wuhan SASAC has a significant influence on the Group as it does with respect to many other local state-owned enterprises under its control, including the scope of its business, major investment decisions, development strategies, appointment of directors and certain senior management positions. When Wuhan SASAC carries out its administrative function and implements the PRC government's policies, there can be no assurance that Wuhan SASAC would always take actions that are in the Group's best commercial interests or that aim to maximise the Group's profit. Those actions may

be beneficial to Wuhan as a whole but could have an adverse impact on the Group's business, financial condition, results of operations and prospects. In recent years, the local counterparts of SASAC in many provinces and cities have directed reorganisation of local state-owned enterprises at a different scale, which are conducted in the forms of asset transfer, asset disposition and/or asset swap. It is difficult to foresee or control the occurrence of similar transactions directed by the governmental authorities and there is no assurance that the Issuer and the Group will not be adversely affected if any such reorganisation takes place.

The Group's business and future prospects to an extent benefit from Wuhan SASAC's business policies and the controlling relationship between the Group and Wuhan SASAC does not necessarily correlate to, or provide any assurance as to the Group's financial condition.

The Group is the sole platform of Wuhan SASAC's efforts to establish a regional financial centre based in Wuhan and a state-owned enterprise directly held by Wuhan SASAC that is focused on industrial investment (especially in the areas of high technology and emerging industries) and comprehensive financial services. As the Group is wholly-owned by Wuhan SASAC, the Group's business, results of operations and future prospects may be significantly affected by Wuhan SASAC's business policies, including various forms of financial support. Furthermore, the controlling relationship between the Group and Wuhan SASAC does not necessarily correlate to, or provide any assurance as to the Group's financial condition. For instance, 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. See "– A reduction or discontinuance of government support could materially and adversely affect the Group's business, financial condition and results of operations."

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

The Group has a large number of subsidiaries and associated companies operating in multiple industries. The Group's businesses are operated in two main sectors, namely financial services sector and industrial sector, with the latter divided into four principal sub-business lines: (i) commodity trading, (ii) integrated logistics services, (iii) real estate and (iv) industrial investment and operation. Due to the diverse characteristics of its subsidiaries and associated companies, the Group faces challenges not found in companies with a single business line. In particular:

- the Group is exposed to business, market and regulatory risks relating to different industries, markets and geographic areas, and may from time to time expand its businesses to new industries, markets and geographic areas in which it has limited operating experience. Success in such businesses requires the Group to devote substantial resources to monitor changes in these different operating environments; and
- successful operation of the Group's subsidiaries and associated companies requires an effective
 management system. As the Group continues to grow its businesses in an increasing number of
 different industries, the Group's operations may become more complex, which would increase the
 difficulty in implementing its management system.

The Issuer provides direct funding and other support to certain of its subsidiaries and associated companies. If the Issuer's subsidiary or associated company defaults on any borrowings lent or guaranteed by the Issuer, the Issuer will not receive the repayment as planned or the relevant lender may exercise its right under the guarantee to demand repayment from the Issuer. The occurrence of either of these types of events may result in a funding shortage at the Issuer level and may materially and adversely affect the Issuer's ability to provide financial support to its other subsidiaries and associated companies. If the Issuer's financial or non-financial support ceases or diminishes for any reason, the

operations of the relevant subsidiaries and associated companies 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 capital intensive and any failure to obtain sufficient capital resources on acceptable terms or in a timely manner may adversely affect its business and prospects.

The Group's business operations require substantial capital resources. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group had cash paid for the acquisition of fixed assets, intangible assets and other long-term assets of RMB1,426 million, RMB1,223 million, RMB691 million, RMB224 million and RMB310 million, respectively. The Group has historically met its capital requirements through a combination of (i) cash flows generated from its operating activities, (ii) proceeds of bank and other borrowings, (iii) issuance of debt securities, and (iv) private channel financing.

The Group's ability to generate sufficient operating cash flow is affected by a number of factors, such as its ability to carry on its business activities in an efficient manner, due performance of its contractors, changes in general market conditions and the regulatory environment as well as competition. Any adverse change in any of these factors, which may be out of the Group's control, may create capital shortfall. There is no assurance that the Group's operating activities are able to generate sufficient cash to satisfy its cash needs at all times. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group recorded net cash inflow from operating activities of RMB5,546 million and RMB1,836 million, net cash outflow from operating activities of RMB2,219 million, RMB3,279 million and net cash inflow from operating activities of RMB709 million, respectively. See "– The Group has historically experienced net cash outflows from operating activities."

Insufficient cash flow generated from the Group's operating activities will increase the Group's reliance on external financing. As at 31 December 2018, 2019 and 2020, the Group's total outstanding indebtedness (comprising short-term loans, non-current liabilities due within one year, other current liabilities, long-term loans, bonds payable and long-term payables) was RMB67,578 million, RMB81,645 million and RMB92,941 million, respectively. As at 30 June 2021, the Group's total outstanding indebtedness (comprising short-term loans, non-current liabilities due within one year, other current liabilities, long-term borrowings, bonds payable, lease liabilities and long-term payables) was RMB104,665 million, of which RMB52,077 million would become due within 12 months. As at 30 June 2021, the Group had credit facilities in a total amount of approximately RMB42,155 million, of which approximately RMB12,468 million had not been utilised. As at 30 June 2021, 13 banks have each granted credit facilities of RMB1,500 million or more to the Group, including Export-Import Bank of China, Agricultural Development Bank of China, Agricultural Bank of China, Bank of Communications Limited, Huaxia Bank, Industrial Bank, China Everbright Bank, Ping An Bank, China Guangfa Bank, Hankou Bank, Wuhan Rural Commercial Bank, Postal Savings Bank of China and China Zheshang Bank. The total credit facilities granted by these 13 banks amounted to approximately RMB34,700 million, of which approximately 31.3 per cent. had not been utilised.

The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, many of which are beyond its control, including but not limited to:

- general economic and capital market conditions;
- changes in monetary policies with respect to bank interest rates and lending policy;
- interest rates and credit availability from banks or other lenders;
- investor confidence in the Group and the success of the Group's business;

- ability to obtain the PRC government approvals required to access domestic or international financing;
- provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital;
 and
- political and economic conditions in the PRC generally.

Moreover, the PRC government has in recent years taken a number of measures in the financial sector to further tighten lending requirements for property developers, such as prohibiting or restricting PRC commercial banks from extending loans to certain property developers or for development of certain properties.

There is no assurance that the Group will be able to renew its current credit facilities or secure additional financing, either on a short-term or a long-term basis, or that such financing will be obtained on terms favourable to the Group. If the Group is unable to obtain sufficient financing on a timely basis and at a reasonable cost, the Group may not be able to undertake new projects or implement them as planned. This would restrict the Group's ability to grow and, over time, may reduce the quality and reliability of the service the Group provides and adversely affects the Group's business, prospects, financial condition, and results of operations. In addition, substantial indebtedness may in turn increase the pressure on the Group's liquidity and cause additional operational risks. See "– Substantial indebtedness may restrict the Group's business activities and increase the Group's exposure to various operational risks."

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

The Group relies on external financing to satisfy a portion of its capital requirements and it has had a significant amount of outstanding indebtedness. As at 30 June 2021, the Group's total indebtedness (comprising short-term loans, non-current liabilities due within one year, other current liabilities, long-term borrowings, bonds payable, lease liabilities and long-term payables) was RMB104,665 million, of which RMB52,077 million would become due within 12 months. See "Capitalisation and Indebtedness". In addition, the Group from time to time guarantees the indebtedness of third parties and it provides financial guarantee services to independent third parties in respect of their borrowings. See note IX to the Reviewed Interim Financial Statements, which are included elsewhere in this Offering Circular. Substantial indebtedness could impact the Group's business in a number of ways, including:

- requiring the Group to divert its operating cash flow to service its indebtedness;
- increasing the Group's finance costs, thus affecting the overall profits of the Group;
- decreasing the Group's financial flexibility in carrying on its business or responding to unexpected market changes;
- 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.

The Group mortgages some of its assets, primarily real estates and land use rights, to secure its bank borrowings for its business development and the Issuer and its subsidiaries pledge some of their equity interests in their respective subsidiaries to secure loans. For example, Wuhan Development Investment Co., Ltd. (武漢開發投資有限公司), a subsidiary of the Issuer, has pledged its equity interests in Wuhan Credit Risk Management Finance Guarantee Co., Ltd. (武漢信用風險管理融資擔保有限公司)("Wuhan Credit Risk") in the amount of RMB1.9 billion, to Wuhan Rural Commercial Bank (武漢農村商業銀行), which accounts for approximately 20 per cent. of the total registered capital of Wuhan Credit Risk. Third-party security rights may limit the Group's use of the assets mortgaged or charged and adversely affect its operation efficiency. If the Issuer and its subsidiaries are unable to service and repay their debts under such loan facilities on a timely basis, the assets mortgaged or charged and the subsidiary equity interests pledged to secure the Group's bank loans may be foreclosed or sold by the relevant lenders, which may adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's business operations are exposed to risks in relation to environmental protection laws.

The Group is subject to various environmental protection laws and regulations. The particular environmental laws and regulations that are applicable to each of the Group's business sectors vary according to their respective location and the environmental factors associated with their specific business operations. As the PRC government increases its attention on environmental protection, the Group's facilities may be more strictly reviewed and inspected by the local authorities, and approval processes for future facilities or any alteration to existing facilities may be prolonged. Compliance with environmental laws and regulations may result in delays which could cause the Group to incur additional compliance costs and restrict or even prohibit its business activities in environmentally-sensitive regions or areas. In addition, there can be no assurance that the PRC government will not change existing laws and regulations or impose additional or stricter laws or regulations. There can be no assurance that the Group will be able to comply with all such changed laws and regulations in the future or that it can comply in a cost-efficient manner. If the Group is unable to effectively and promptly comply with these changes, it may incur significant costs and may be subject to fines or be forced to suspend or shut down certain operations, which could have a material and adverse effect on its operations.

The Group's business operations are exposed to risks in relation to health and safety laws and regulations.

The Group is subject to various health and production safety standards in relation to its production processes used in some of its businesses, such as processing of food products. The Group's production facilities are subject to regular inspections by the regulatory authorities for compliance with the Safe Production Law of the PRC (《中華人民共和國安全生產法》). Furthermore, under the PRC Labour Law (《中華人民共和國勞動法》) and the PRC Law on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》), the Group must ensure that its facilities comply with PRC standards and requirements on occupational safety and health conditions for employees. The Group also provides its employees with labour safety education, necessary protective tools and facilities, and regular health examinations for those who are engaged in work involving risks of occupational hazards. Failure to meet the relevant legal requirements on production safety and labour safety could subject the Group to warnings from the relevant governmental authorities, governmental orders to rectify such noncompliance within a specified time frame and fines according to the Safe Production Law of the PRC, the PRC Labour Law and the PRC Law on the Prevention and Treatment of Occupational Diseases. The Group may also be required to suspend its production temporarily or cease its operation permanently for significant non-compliance, which would have a material adverse effect on its business, results of operations and financial condition.

The Group is subject to risks relating to conducting business with associated companies.

Certain of the Group's operations are conducted through associated companies. Co-operation and agreement among the Group's business partners on its existing or any future projects are important factors for the smooth operation and financial success of such projects. The Group's business partners may (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) be unable or unwilling to fulfil their obligations under the relevant agreements; or (iii) experience financial or other difficulties. Further, the Group may not be able to control the decision-making process of the associated companies as it does not have majority control of them. Although the Group has not to date experienced any significant problems with its partners, there is no assurance that disputes among its partners will not arise in the future that could adversely affect such projects.

The Group has historically experienced net cash outflows from operating activities.

For the year ended 31 December 2020 and the six months ended 30 June 2020, the Group had net cash outflow from operating activities of RMB2,219 million and RMB3,279 million, respectively. The Group's net cash outflows from operating activities were largely attributable to the expansion of its financial service business and commodity trading business. The funds borrowed exceeded the funds recovered in the Group's financial services business. For the Group's commodity trading business, customers usually pay a deposit with the balances from sales of commodities settled afterwards. If the Group's operating activities fail to generate sufficient cash to satisfy its cash requirements, the Group has to increase its reliance on external financing to satisfy its working capital and capital expenditure, thus increasing its financial vulnerability and adversely affecting its financial condition and results of operations.

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

As at 31 December 2018, 2019 and 2020 and 30 June 2021, the Group's accounts receivables amounted to RMB1,215 million, RMB976 million, RMB1,356 million and RMB2,032 million, respectively, representing 1.1 per cent., 0.7 per cent., 0.9 per cent. and 1.3 per cent. of the Group's total assets as at the corresponding dates. The Group's accounts receivables primarily comprise receivables from third-party business partners.

As at 31 December 2018, 2019 and 2020 and 30 June 2021, the Group's other receivables amounted to RMB9,781 million, RMB13,171 million, RMB12,210 million and RMB13,094 million, respectively, representing 8.5 per cent., 10.0 per cent., 8.4 per cent. and 8.4 per cent. of the Group's total assets as at the corresponding dates. The Group's other receivables primarily comprise short-term loans from related companies and financing deposits.

There are inherent risks associated with the ability of the third-party business partners and the related companies to make timely payments and any failure to make timely payments by these entities could materially and adversely affect the Group's liquidity and in turn affect its business, financial condition and results of operations.

The Group may be exposed to risks relating to increased level of inventories.

As at 31 December 2018, 2019 and 2020 and 30 June 2021, the balance of the Group's inventories was RMB6,619 million, RMB5,509 million, RMB9,045 million and RMB9,463 million, respectively, representing 5.7 per cent., 4.2 per cent., 6.2 per cent. and 6.1 per cent. of the Group's total assets as at the corresponding dates. The Group's inventories mainly comprise raw materials, packaging materials, low-value consumables, products in progress, materials in transit and goods in stock. High levels of inventories not only increase the pressure on the Group's cash flows, it may also cause the Group to make provisions for impairment of fair value of inventories. Any failure to effectively manage the Group's inventory levels 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 Notes, which in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group is exposed to risks relating to related party transactions.

The Group has historically engaged in a broad range of transactions with its related parties. These transactions primarily include provision and receipt of services and loans and advances. The details of the Group's related party transactions have been disclosed in the respective note XI to the 2019 Audited Financial Statements, the 2020 Audited Financial Statements and the Reviewed Interim Financial Statements, which are included elsewhere in this Offering Circular. There are inherent risks associated with the ability of the Group's related parties and the Group's business partners to make timely payments and any failure to make timely payments by these entities could materially and adversely affect the Group's liquidity and in turn affect its business, financial condition, results of operations and prospects. In addition, while all related party transactions entered into by the Issuer thus far are on market price terms, related party transactions entered into on a non-arm's-length basis in the future may erode the Issuer's competitiveness and damage its reputation.

The Group's financial condition and results of operations may be affected by the fair value changes in its long-term equity investments and the profitability of its equity investment is subject to market conditions and other factors beyond its control.

The Group currently owns minority interests in the equity stocks of several portfolio companies which primarily engage in financial services and integrated logistics businesses. As at 31 December 2018, 2019 and 2020 and 30 June 2021, the Group's long-term equity investments was RMB5,867 million, RMB7,571 million, RMB9,619 million and RMB9,952 million, respectively, representing 5.1 per cent., 5.8 per cent., 6.6 per cent. and 6.4 per cent. of the Group's total assets as at the corresponding dates.

The amount of revaluation adjustments has been, and will continue to be, subject to the performance of the companies in which the Group invests and the market conditions of the industries these companies operate in. The Group has limited control over the performance of those companies due to its holding of minority stakes in those companies and there is no assurance that changes in market conditions will continue to create fair value gains on its equity investment at the historical levels, or at all, or that the fair value of its equity investment will not decrease in the future. If the fair value of its equity investment declines, its profitability could be materially and adversely affected.

Furthermore, the Group earns investment returns from dividends paid by its portfolio companies and generates capital gains from exits through sale of shares in these portfolio companies. As the Group does not control the operations of those companies and has little impact on their management or operations, there is no guarantee that those companies will declare and pay dividends to their respective shareholders as expected. Equity investment in privately-owned companies are inherently illiquid. The Group's ability to exit from a portfolio company is subject to market conditions. The Group may be forced to sell its investments at undesirable prices or defer sales for a considerable period of time or may not be able to sell at all due to market volatility or other reasons beyond the Group's control. In addition, whether the Group could identify suitable targets for investment is subject to market conditions beyond its control.

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

The Group relies on its quality control system to ensure the safety and quality of its products. The effectiveness of the Group's quality control system may be affected by a number of factors, such as timely update of the quality control system to address changing business needs and the Group's willingness and ability to adhere to its quality control policies and guidelines. Any failure or deterioration of the Group's quality control system could result in defects in its products, which in turn may subject the Group to contractual, product liability and other claims. Any such claims, regardless of

whether they are ultimately successful, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. If any of such claims were ultimately successful, the Group could be required to pay substantial monetary damages or penalties.

If the Group fails to maintain effective internal controls and sound corporate governance, its business, financial condition, results of operations and reputation could be materially and adversely affected.

Due to the limited operating history of the Group, there are certain deficiencies in the Group's internal control and corporate governance. For example, the Issuer is required by the PRC Company Law to have a board of supervisors. The Issuer has not yet established a board of supervisors. In addition, the Issuer is required by the PRC Company Law to have at least one director nominated by and representing the Issuer's employees. However, all the directors of the Issuer are nominated by Wuhan SASAC.

The Group has implemented various measures to improve its internal controls and corporate governance. However, due to its relatively short track record, there can be no assurance that all such measures will prove to be effective or that material deficiencies in the Group's internal controls will not be discovered in the future. The Group's efforts to improve its internal controls have required, and in the future may require, increased costs and significant management time and commitment. If the Group fails to maintain effective internal controls, its business, financial condition, results of operations or reputation could be materially and adversely affected.

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

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

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

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

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

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

- mechanical production interruptions, electricity outages and equipment failure;
- operating limitations imposed by environmental or other regulatory requirements;
- work-related personal injuries;
- on-site occupational accidents;
- 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 insurance policies that provide different types of risk coverage, which the Group believes to be consistent with industry and business practice in the PRC. However, claims under the insurance policies may not be honored fully or on time, or the insurance coverage may not be sufficient to cover costs associated with accidents incurred during the Group's operations due to the abovementioned operational risks. Certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability) are not insured in the PRC because they are either uninsurable or not economically insurable. To the extent that the Group suffers loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, its business, financial condition, results of operations and cash flow may be materially and adversely affected.

The Group is exposed to litigation risks.

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

claims brought against the Group and material write-downs associated with the Group's claims could have a material adverse impact on its financial condition, results of operations and cash flow. Please see "Description of The Group – Legal Proceedings" for details of the Group's litigation matters.

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

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

The Issuer has published, and may continue to publish, periodical financial information in the PRC pursuant to applicable PRC regulations and the rules of relevant stock exchanges. Investors should be cautious and should not place any reliance on the financial information other than that disclosed in this Offering Circular.

The Issuer publishes its annual, semi-annual and quarterly financial information to comply with applicable PRC regulations and rules of the stock exchanges on which its debt securities are listed. Semi-annual financial information of the Issuer and the Group published in the past was, and quarterly financial information of the Issuer and the Group is, derived from the Group's management accounts which have not been audited or reviewed by independent auditors. Such financial information published in the PRC should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any information that has been audited or reviewed. The Issuer is not responsible to holders of the Notes for the unaudited and unreviewed financial information published from time to time in the PRC and therefore investors should not place any reliance on any such financial information.

The Issuer's Interim Financial Statements have been prepared and presented in accordance with PRC GAAP but have not been audited or reviewed by ShineWing, the independent auditor of the Issuer. Consequently, such consolidated interim financial information, which does not form part of this Offering Circular, should not be relied upon by investors in any way, in particular to provide the same quality of information associated with information that has been subject to an audit or review.

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

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

The Group's financial condition and results of operations may be affected by material fluctuations of interest rates.

Most of the Group's bank loans bear interest that accrue at rates linked to the benchmark lending rates published by the PBOC. A material fluctuation in the benchmark lending 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. The PBOC from time to time adjusts interest rates as implementation of its economic and monetary policies. 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 China's economy. Since 2008, the PBOC decreased the benchmark one-year lending rate five times, from 7.47 per cent. to 5.31 per cent. in December 2008, which remained unchanged until September 2010. Since then, the one-year lending rate was gradually increased to 6.56 per cent. on 7 July 2011 and onwards. In recent years, a perceivable slowdown in the growth of the economy of the PRC again caused the PRC government to adopt more liberal monetary policies with the aim to stimulate the PRC's economic development. Since 2012, the PBOC for a number of times reduced the benchmark one-year lending rate to 4.35 per cent. as at 24 October 2015 and onwards. 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. Any increase in the benchmark lending rate by the PBOC in the future will increase the Group's financing costs and adversely affect its profitability, financial condition and results of operations.

The Group may be subject to claims of infringement of third-party intellectual property rights.

In the process of implementing new technologies and processes, the Group may not be aware of third-party intellectual property rights and, accordingly, may be unable to assess the scope and validity of such rights in relation to its products and operations. In addition, research and development is inherently uncertain in a rapidly evolving technology environment as there may be numerous patent applications pending, many of which are confidential when filed and relate to similar technologies. Accordingly, the Group may be subject to lawsuits for infringement on third party intellectual property rights. Intellectual property litigations could adversely affect the development or sale of the challenged product or technology and require the Group to pay substantial damages or royalties to licence proprietary rights from third parties. Such licences may not be available to the Group on acceptable terms, if at all. Given the rapid technological change that characterises the Group's industries, there can be no assurance that its current measures are adequate and that it will not be subject to claims of infringement by third parties. Any intellectual property litigation could bring reputational damage to the Group and cause it to incur significant expenses or divert its personnel's attention and efforts, any of which could have a material adverse effect on its business, financial condition or results of operations.

The Group requires permits or licences to undertake its business operations and any loss, termination or non-renewal of these permits or licences could have a significant and adverse impact on its business.

The Group requires various permits and licences issued by the relevant government agencies to conduct its business and it must comply with the restrictions and conditions imposed by various levels of government to maintain its permits and licences. The granting of these permits and licences is contingent upon satisfaction of relevant conditions and prerequisites under applicable PRC laws and regulations. Even if such requirements are satisfied, prolonged review by the relevant administrative authorities may be possible, causing uncertainties in respect of the timing for the issuance and renewal of the permits and licences. There can be no assurance that the Group will not encounter problems fulfilling all or any of the conditions for the grant of the permits or licences, or that the Group is able to obtain or renew all necessary permits and licences for its business in a timely manner, or at all. In addition, if the Group fails to comply with any of the regulations required for the maintenance of its permits and licences, its permits and licences could be temporarily suspended or even revoked, or the renewal of its licences, upon expiry of their original terms, may be delayed, which would directly impact on the Group's business operations.

The Group faces risks associated with contracting with public bodies.

The Group had previously entered into contracts with public bodies for government-related projects such as a contract with Wuhan Municipal Finance Bureau for railway construction works. As at the date of this Offering Circular, no such contracts are outstanding. However, in the event the Group contracts with public bodies in the future, such public bodies may be unable or unwilling to fulfil their obligations, encounter financial difficulties; or have disputes with the Group as to the contractual terms or other matters. They may not perform their contractual obligations in a timely manner, if at all, or may, without prior notice or consent from the Group, change existing policies and project plans for various reasons such as government budgeting. The occurrence of any such event may require the Group to adjust its development plans, which would adversely affect its operating results. If there is any material disagreement between the Group and such government, entities or agencies, as the case may be, the Group may not be able to successfully resolve the disagreement in a timely manner. Disputes with public bodies may last for a considerably longer period of time than for those with private sector counterparties, and payments from the public bodies may be delayed as a result. Any of these factors may materially and adversely affect the business relationship between the Group and the relevant public body, which may 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 an outbreak, or threatened outbreak, of any severe contagious disease which may in turn significantly reduce demand for the Group's services and have an adverse effect on its financial condition and results of operations.

The Group's businesses could be adversely affected by the effects of force majeure events, natural disasters, catastrophe, epidemics and other outbreaks, such as the coronavirus (COVID-19), avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1), Ebola and other acts of God which are beyond their control. Any such occurrences could adversely affect the Group's business operations, cause delays in the Group's projects, increase the costs associated with its operations and could in turn, materially and adversely affect its revenue, profit and cash flows and, accordingly, negatively impact its ability to repay any debt.

In early 2020, COVID-19 has spread globally throughout Asia, Europe, North America and other regions. COVID-19 is highly infectious and has resulted in numerous deaths around the world. The World Health Organization announced in March 2020 that COVID-19 has developed into a pandemic. In an effort to contain the spread of COVID-19, the PRC government has taken a number of measures, including, among other steps, extending the Chinese New Year holidays, and imposing travel, quarantine and other work-related restrictions. A prolonged outbreak of COVID-19 has had and may continue to have a material adverse impact on China's economy, the global economy and financial markets in general, which in turn could materially and adversely affect the Group's business, financial condition and results of operations. At present, all of the Group's business operations have resumed normalcy, and COVID-19 has not caused any material adverse impact to the Group's results of operations and financial condition. However, as there remains significant uncertainty relating to future developments of the COVID-19 pandemic, there is no assurance that the Group's business, results of operations, financial condition or prospects may not be adversely affected.

In addition, some of the Group's contracts may have force majeure provisions that permit such parties to suspend, terminate or otherwise not perform their obligations under the relevant contracts upon the occurrence of certain events, such as strikes and other industrial or labour disturbances, terrorism, restraints of government, civil protests or disturbances, international conflicts and tensions, military and other actions, heightened security measures in response to these threats, or any natural disasters; all of which are beyond the control of the party asserting such force majeure event. If one or more of the Group's counterparties do not fulfil their contractual obligations for any extended period of time due to a force majeure event or otherwise, the Group's results of operations and financial condition could be materially and adversely affected.

The Group relies heavily on information technology systems for its business and any information technology system limitations or failures could adversely affect its business, financial condition, results of operations and prospects.

The Group's business depends on the integrity and performance of the business, accounting and other data processing systems at the holding company and at its subsidiaries. If the Group's systems may not be able to effectively address the issues arising from an increased business or may otherwise fail to perform, the Group could experience unanticipated disruptions in business, slower response times and limitation on its ability to monitor and manage data and risk exposures, control financial and operation conditions, and keep accurate records. These consequences could result in operating outages, poor operating performance, financial losses, and intervention of regulatory authorities. Although the Group's systems have not experienced major systems failures and delays in the past, there is no assurance that the Group's systems would not experience future systems failures and delays, or the measures taken by the Group to reduce the risk of system disruptions are adequate. If internet traffic and communication volume increase unexpectedly or other unanticipated events occur, the Group may need to expand and upgrade the Group's technology, systems and network infrastructure. There is no assurance that the Group will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade the Group's systems and infrastructure to accommodate any increases in a timely manner.

The Issuer's auditors may be subject to administrative actions and penalties by relevant PRC authorities.

In recent years, as part of an effort to improve effective regulatory oversight, PRC regulators have increased their examinations of PRC public accountants. As a result, auditors in China have been subject to more frequent examinations. ShineWing, the Issuer's independent auditors, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies and therefore is subject to examinations by such PRC regulatory agencies.

In the past, ShineWing has been the subject of examinations conducted by the CSRC. Various branches of the CSRC issued warning notices and/or regulatory decisions to ShineWing and its relevant accounting personnel since 2017, the most recent ones dated 28 July 2020 and 29 July 2020, all relating to either ShineWing's negligence in performing its audit services for PRC companies (including accounting irregularities during the relevant audit processes carried out by ShineWing) or deficiencies identified in its internal controls.

ShineWing is of the opinion that (i) the relevant accounting personnel involved in the above-mentioned warning notices and/or regulatory decisions are not related to the ShineWing team serving as the Issuer's auditors for the preparation and issuance of the audit reports for the 2019 Audited Financial Statements and the 2020 Audited Financial Statements and the review report for the Reviewed Interim Financial Statements; (ii) the above-mentioned warning notices and/or regulatory decisions do not disqualify the ShineWing team from participating in the issuance of the Notes; (iii) the above-mentioned warning notices and/or regulatory decisions do not have any impact on ShineWing's unqualified audit opinion for the 2019 Audited Financial Statements and the 2020 Audited Financial Statements and unqualified review opinion for the Reviewed Interim Financial Statements; and (iv) ShineWing's operations or its ability to provide services to the Issuer are not affected by the above-mentioned warning notices and/or regulatory decisions or any examinations which may be conducted with respect to any of its other branches by relevant PRC regulatory agencies.

However, there can be no assurance that there will not be any new examinations against ShineWing in the future, or that such future examinations would not subject ShineWing or any of its management, officers or employees to penalties or sanctions imposed by PRC authorities or suspension of its operations by the CSRC. Such sanctions and suspensions may restrict ShineWing from providing audit services or other services in connection with the Issuer's financing transactions. In that case, the Issuer may have to discontinue its engagement with ShineWing, which may adversely affect the Group's business operations and harm its reputation.

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

The Issuer's financial statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications. Please see "Description of Certain Differences between PRC GAAP and IFRS" for details. Each investor should consult its own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

The consolidated financial information of the Issuer as at and for the six months ended 30 June 2021 contained in this Offering Circular have not been audited.

The consolidated financial information of the Issuer as at and for the six months ended 30 June 2021 included in this Offering Circular have not been audited. Information contained in or derived from these financial statements may change if an audit had been conducted. None of the Joint Lead Managers, the Trustee, the Agents and any of their respective affiliates, directors or advisers makes any representation or warranty, express or implied, regarding the accuracy, completeness or sufficiency of such interim consolidated financial statements. Consequently, such financial information should not be relied upon by potential investors to provide the same type or quality of information as information that has been subject to an audit. Potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations.

RISKS RELATING TO THE GROUP'S FINANCIAL SERVICES BUSINESS

The Group's financial services business is subject to extensive regulation and supervision of the government authorities at various levels and failure to comply with applicable regulations may have a material adverse impact on the related business and results of operations.

The Group's financial services business primarily focuses on provision of guarantees, entrusted loans, financial asset trading, note brokerage, finance-related security escort services, financial leasing, and trustee services. These businesses are subject to extensive national, provincial and municipal laws, rules, regulations, policies and measures issued and enforced by the governmental authorities at different levels. Failure to comply with these laws, rules, regulations, policies and measures may subject the Group to monetary penalties as well as other adverse consequences. For example, in the past, Guotong Trust Co., Ltd. (國通信託有限責任公司)("Guotong Trust"), a subsidiary of the Issuer which primarily engages in the provision of trust services, had received three administrative penalties for violation of certain regulations governing its businesses. On 28 March 2017, pursuant to Article 46 of the Banking Supervision Law of the PRC, the Hubei Office of the CBRC issued a Penalty Decision (E Yinjian Fa Jue Zi [2017] No.2)(行政處罰決定書)(鄂銀監罰決字[2017]2號) and imposed a monetary penalty in the total amount of RMB500,000 on Guotong Trust for inappropriate management decisions and insufficient information disclosure. On 26 December 2017, pursuant to Article 46 of the Banking Supervision Law of the PRC, the Hubei Office of the CBRC issued another Penalty Decision (E Yinjian Fa Jue Zi [2017] No.45)(行政處罰決定書)(鄂銀監罰決字[2017]45號) and imposed a monetary penalty in the total amount of RMB700,000 on Guotong Trust for lack of diligence in connection with the formulation of trust plans and inappropriate acceptance of commitment letters from local government agencies in contravention of relevant regulations. On 8 January 2021, pursuant to Article 46 of the Banking Supervision Law of the PRC, the Hubei Office of the CBRC issued a Penalty Decision (E Yinjian Fa Jue Zi [2020] No.68)(行政處罰決定書)(鄂銀監罰決字[2020]68號) and imposed a monetary penalty in the total amount of RMB50,000 on Guotong Trust's management for inappropriate management decisions and insufficient information disclosure. As at the date of this Offering Circular, the Group has made full payment of the foregoing three penalties.

In addition, local authorities have broad discretion in implementing and enforcing applicable rules and regulations. As such, there are significant uncertainties in the interpretation and implementation of relevant laws, rules, regulations, policies and measures. In certain instances, verbal clarifications by government authorities may be inconsistent with the regulations concerned, which in turn increases the Group's compliance risk.

If the Group fails to fully comply with the applicable laws, rules, regulations, policies and measures in the future or fails to respond to any changes in the regulatory environment in a timely manner, noncompliance and any delay may result in sanctions, monetary penalties, or restrictions on its activities or revocation of licenses by regulatory authorities, which could have a material adverse impact on its business and results of operations in the financial industry.

The Group's development of its financial services business may increase its exposure to credit risks.

The Group's financial services business involves many inherent risks, including the risk that the loans the Group guarantees or grants are not repaid on time or at all. The Group's credit guarantee business currently focuses on small and medium enterprises ("SMEs") and individual customers in China. Many of its customers have limited financial resources or relatively weak credit profile, making it difficult for them to obtain capital from the large state-owned financial institutions. For the same reason, they are more vulnerable to adverse competitive, economic or regulatory conditions, and create greater credit risks relating to the Group's loan and guarantee business than larger or more established businesses with longer operating histories.

From 2018 to 30 June 2021, the Group had granted 182 entrusted loans with a total amount of RMB24 billion. From 2018 to 30 June 2021, there were eight entrusted loans overdue with a total amount of RMB267 million. Even though there were no actual loss incurred due to a series of remedial measures the Group adopts, primarily including litigation, freezing injunctions and enforcement of judgments by courts, there can be no assurance that future overdue would not cause a material adverse impact on the Group's business and results of operations.

As at 30 June 2021, the Group's total outstanding balance of guarantees with respect to its credit guarantee business amounted to RMB20,438 million. From 2018 to the date of this Offering Circular, the Group had made cumulative payments amounting to RMB237 million for its credit guarantee customers who were unable to repay their borrowings on time. However, the Group recovered RMB21 million in total for the same period, due to repayments by customers for whom the Group had paid out amounts prior to 2018 but such amounts had remained outstanding and owing. As such, there is no assurance that the Group will recover amounts paid out on behalf of customers in relation to the guarantees it provides in a timely manner, in full or at all. Any failure to do so may adversely affect the Group's business, results of operations and financial condition.

Since late 2012, the PRC economy has shown signs of slowdown, raising the market concern that its historical rapid growth may not be sustainable. If the PRC economy experiences slowdown or enters into recession, the operation and financial performance of PRC companies may be heavily affected and customer default may increase, increasing the Group's exposure to credit risks. Although the Group seeks to manage its credit risk exposure through internal customer due diligence, credit approvals, establishing credit limits and portfolio monitoring and other risk management measures, there can be no assurance that these measures will be effective given the limited operating history of the Group's financial services business. There is no assurance that the Group is able to manage its credit risks effectively with its existing risk management system.

The Group's financial services business could be affected by material changes and fluctuations in the PRC banking industry.

The Group's financial services business is premised on the fact that SMEs are generally underserved by the banking industry because large commercial banks in the PRC have historically been reluctant to provide lending to SMEs without sufficient credit support or adequate security. This has created opportunities for many enterprises, such as the Group, to develop and expand SMEs loan business. However, the banking industry in the PRC has been evolving. The significant capital demand from the SMEs is causing many large commercial banks to adjust their loan portfolios to adapt to the changing market conditions. If those large commercial banks increase their loans to SMEs on an unsecured basis or require a lower level of credit guarantee in return for higher risk-based interest rates, it may cause a decrease in the market demand for the Group's loan and guarantee services. Direct competition with those large commercial banks may also undermine the Group's relationship with them with respect to its guarantee business and adversely affect its business and prospects.

The Group's financial services business may be subject to other factors affecting the banking industry, such as material fluctuation in the interbank rates and media reports on any increase in non-performing loans in the PRC banking industry. These factors which generally affect the banking industry may result in a liquidity crunch and the subsequent reductions in the amount of, or tightened approval requirements for loans available to the Group's customers or the Group. If the customers' businesses are negatively affected as a result of tightened liquidity, the default risk in respect of the Group's customers may increase. In addition, the business performance in the SME sector may be adversely affected by turmoil in regional financial markets as well as changes in global credit policies. This may result in a reduction in the amount of, or tightened approval requirements for, funding from banks or other financial institutions to SMEs in the PRC which may consequently be exposed to greater liquidity risks. In this situation, the quality of the Group's loan portfolio and related results of operations may be adversely and materially affected.

The Group has limited information on the SMEs and individuals to which it provides financial services, and there can be no assurance that the Group's customer due diligence is sufficient to uncover material risks relating to its loans and guarantees.

The credit evaluation of the Group's financial services business depends primarily on customer due diligence. A majority of the customers of the Group's financial services business are SMEs and individuals, and available information about such customers sometimes is limited. For example, the accounting records or other financial information of the customers might not have been well maintained, their business model and procedures might not have been documented and they may not have effective internal controls as larger corporate entities. Inadequate information not only could result in additional work and related costs, it may also undermine the effectiveness of its customer due diligence. The Group normally conducts customer due diligence independently. There can be no assurance that the Group's investigation is able to procure all material information necessary to make a fully informed decision, or that its due diligence is sufficient to detect customer fraud. If the Group fails to perform thorough due diligence or discover customer fraud or intentional deceit, the quality of its credit evaluation may be compromised. Failure to effectively measure and limit the credit risk associated with its credit guarantee and loan portfolio could have a material adverse effect on its financial services business, financial condition and results of operations. In addition, the Group typically does not monitor the use of the financing it guaranteed or provided to its customers. If its customers engage in any illegal transactions, such as money laundering activities, the Group may face administrative and criminal liabilities and suffer financial and/or reputational damage.

The Group faces increasing competition from existing and new market participants.

China's financial services industry for SMEs has experienced substantial growth in recent years, following the rapid development of the Chinese economy and the emergence of a large number of SMEs and microenterprises. According to the CBRC and China Financing Guarantee Association, there were approximately 5,139 financing guarantee companies in China as at 31 December 2020. The Group's

financial services business mainly competes with state-owned or foreign-invested guarantee companies, city banks, rural banks, micro and microfinance companies and private money lenders within the region. Some of the Group's competitors may benefit from lower pricing, a larger customer base, a more established business reputation, more solid business relationships with banks and government authorities, a more mature risk control mechanism or more extensive experience than the Group might. As the development of its financial services business will be an important step of the Group's future business plan, the Group may face increasing competition with other market participants. In addition, competition in the PRC financial industry has intensified as a result of the rapid development of the Internet financial services in recent years. The Group may need to compete with companies that enjoy more advanced information and IT technologies. Any failure to compete may adversely affect the Group's financial services business, financial condition and results of operations.

The Group has a concentrated customer base for its entrusted loan business.

The Group derives its revenue for its entrusted loan business from a limited number of customers in the PRC and hence its existing customer base is relatively consolidated and concentrated. Although the Group has sought to build a network of long-standing relationships with significant customers, there is no assurance that such relationships will continue in the future. Any failure on the part of the Group to maintain relationships within its concentrated customer base, which results in the loss of one or more of its significant customers, will have a negative impact on the Group's business, particularly if it fails to identify and secure new customers or replace the lost business volume with increased demand from other existing customers. Furthermore, there can be no assurance that the Group's plan to expand and diversify its customer base will be successful or achieve any positive results in the near term. If existing customers become dissatisfied with the Group's services or reduce their demand for the Group's services, or worse, decide to transfer their business to the Group's competitors, the Group may in turn experience material fluctuations or even a decline in its revenue and profitability, which could in turn have an adverse effect on the prospects of the Group's entrusted loan business.

Further amendment of the regulations on the source of funds relating to provision of entrusted loans may have an adverse effect on the development of the Group's loan financing business.

On 16 January 2015, the CBRC published the Administrative Measures for the Entrusted Loans of Commercial Banks in draft form to solicit opinions and reviews from the public (商業銀行委託貸款管理辦法(徵求意見稿)). According to the draft measures, the CBRC proposed that commercial banks should be prohibited from accepting funds from the following sources to grant entrusted loans, namely (i) special funds with special purposes stipulated by the government, (ii) funds coming from bank credit facilities, (iii) proceeds from issue of bonds, (iv) funds raised from third parties, and (v) funds with no proof of sources.

On 5 January 2018, the CBRC published the Circular of the CBRC on Issuing the Administrative Measures for the Entrusted Loans Undertaken by Commercial Banks (中國銀監會關於印發商業銀行委託貸款管理辦法的通知)(effective on the same date). According to the administrative measures, commercial banks should be prohibited from accepting funds from the following sources to grant entrusted loans, namely (i) other people's funds under entrusted management, (ii) credit funds of banks, (iii) special funds with special purposes (except as otherwise prescribed by the relevant departments of the State Council), (iv) other debt funds (except as otherwise prescribed by the relevant departments of the State Council), and (v) funds with no proof of sources. The issuance of bonds by an enterprise group to raise funds for use within the group is not subject to the provisions of the administrative measures. The CBRC may further amend the administrative measures, which may exert substantial restrictions on the sources of funds for conducting loan financing business and may have an adverse effect on the Group's loan financing business that is provided in the form of entrusted loans.

RISKS RELATING TO THE GROUP'S COMMODITY TRADING BUSINESS

The Group's petrochemical trading business maybe adversely affected by the fluctuation of crude oil and refined oil product prices.

The Group's trading and sales of petroleum and petrochemical products, which account for a significant portion of its operating revenue, is heavily affected by price fluctuations of crude oil and refined oil products. Crude oil is essential to the production of various refined oil products and an increase in crude oil prices may increase the production costs of refined oil products sourced by the Group, which the Group may not be able to pass on to its downstream customers in a timely manner or at all due in part to the control of retail prices by the PRC government. Any decrease in crude oil prices may, however, lead to a decline in the prices of refined oil products, which will then reduce the Group's revenue derived from its trading operations. An increase in the prices of refined oil products, however, will increase the production costs of petrochemical products which use refined oil products as raw materials, which may then pose challenges for the Group in terms of the petrochemical products that it procures for trading.

The Group does not have, and will not have, control over the factors affecting international prices for crude oil and refined oil products. While the Group tries to adjust the sale price of its products to track international crude oil price fluctuations, its ability to pass on the increased cost resulting from crude oil price fluctuations to its customers may be limited, and is dependent on international and domestic market conditions as well as the PRC government's price controls over refined oil products. Global oil prices have experienced and continue to experience considerable volatility, as a result of, among others, the oil price war between Saudi Arabia and Russia and the decreased demand for oil amid the COVID-19 pandemic. Due to the volatile prices on the international oil market in recent years, NDRC promulgated a price-setting mechanism for domestic refined oil products so that domestic refined oil products prices are in line with those on the international markets. Although the current price-setting mechanism for refined oil products in China allows the PRC government to adjust prices in the PRC market when the average international crude oil price fluctuates beyond certain levels within a certain time period, the PRC government still retains discretion as to whether or when to adjust the refined oil products prices. The PRC government generally exercises certain price controls over refined oil products once international crude oil prices experience sustained rises or become significantly volatile. For example, effective as at 14 May 2021, NDRC raised the retail prices of each of gasoline and diesel by RMB100 per tonne. Effective as at 11 June 2021, NDRC raised the retail prices of each of gasoline and diesel by RMB175 per tonne and RMB170 per tonne, respectively. As a result, the Group's results of operations and financial condition may be materially and adversely affected by the fluctuation of crude oil and refined oil product prices.

The Group's petrochemical trading business faces operational risks and natural disasters that may cause significant property damage, personal injuries and interruption of operations, and the Group may not have sufficient insurance coverage for all the financial losses incurred by it.

Transporting crude oil, refined oil and chemical products involve a number of operating hazards. The Group's operations are subject to significant hazards and risks inherent in transporting and storing crude oil, intermediate products and refined oil products. These hazards and risks include, but are not limited to, natural disasters, fires, explosions, pipeline ruptures and spills, third-party interference and mechanical failure of equipment at the Group's or third-party facilities, any of which could result in distribution difficulties and disruptions, environmental pollution, personal injury or wrongful death claims and other damage to the Group's properties and the property of others. There is also risk of mechanical failure and equipment shutdowns both in general and following unforeseen events. Even though the Group has a strong institutional focus on the safety of its operations and has implemented health, safety and environment management system with the view to preventing accidents and reducing personal injuries, property losses and environment pollution, the Group's preventative measures may not be effective. Even though the Group maintains insurance coverage on its property, personnel, plant, equipment and inventory and potential third-party liability the insurance coverage may not be sufficient

to cover all the financial losses caused by the operation risks and natural disasters. See "Risks Relating to the Group in General – The insurance coverage of the Group may not adequately protect it against all operational risks". Significant operating hazards and natural disasters may cause interruption to the Group's operations, property or environmental damages as well as personal injuries, and each of these incidents could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's basic materials trading business is exposed to declines in the current and expected volumes of supply or demand for commodities, commodity prices and deterioration in economic and financial conditions.

The current and expected volumes of supply and demand for the commodities markets in which the Group is active 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 for products in which the commodities are used, technological developments (including commodity 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 commodity. 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 basic materials trading 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 basic materials trading business depends in part on its ability to identify and take advantage of arbitrage opportunities.

Many of the commodity markets in which the Group operates are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities 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 whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. 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 basic materials trading business.

RISKS RELATING TO THE GROUP'S INTEGRATED LOGISTICS SERVICES BUSINESS

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

The Group relies on some major suppliers in its processing logistics services. For example, for the years ended 31 December 2018, 2019 and 2020, the supply for the oil processing logistics services from the top five suppliers accounted for 79 per cent., 68 per cent. and 100 per cent. of the total supply for oil processing logistics services, respectively. There can be no assurance that the Group will be able to maintain or improve its relationships with its major suppliers, or that it will be able to continue to

purchase products and services from these customers at current pricing and levels or at all. In addition, any decline in its major suppliers' businesses could lead to a decline in supply from these suppliers. If any of the Group's major suppliers were to substantially reduce the size or value of the supply it provides 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. If any of these relationships were to be so terminated and the Group were unable to obtain replacement, its business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group may incur losses if there is any surge in the price of energy.

The smooth operation of the Group's integrated logistics services business depends upon a stable and reliable source of energy, including electricity and oil. There is, however, no assurance that such shortage of energy nor increase in operating expenses will not occur in the future. Any surge in the price of energy leading to an increase in operation and transportation costs could adversely affect the profitability and operations of the Group if it is not able to transfer the increased cost to its customers.

The Group's integrated logistics services business may be adversely affected by price fluctuations of raw components or products.

The Group's business model for its processing logistics services involves sourcing the required raw components or products from upstream suppliers, which are then processed by the Group using various methods and techniques, followed by on-selling and delivery of the processed products to downstream customers. Therefore, any increase in the prices of such raw components or products may increase its production costs which the Group may not be able to pass on to customers, whether partially or at all. The inability of the Group to address price fluctuations may have a negative impact on its profitability and in turn, affect its business, results of operations and financial condition.

RISKS RELATING TO THE GROUP'S REAL ESTATE BUSINESS

The PRC government may adopt measures aimed at slowing down growth in the real property sector, which in turn may affect the property development industry.

Since 2005, the PRC government has from time to time introduced various measures to curtail property speculation in response to concerns over, among other things, the increases in property investments and property prices and the overheating of the property market. For example, according to the Notice of the State Council on Issues Relating to Further Well Managing the Central Control of the Real Estate Market (國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知) issued by the General Office of the State Council on 26 January 2011 and the Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market (國務院辦公廳關於繼續做好房地產 市場調控工作的通知) promulgated by the General Office of the State Council on 26 February 2013, the government would firmly restrain speculative demands and strengthen market supervision to better control the overheating of the PRC real estate market. Such measures may limit property developers' access to capital resources, reduce market demand for their properties and increase their operating costs in complying with these measures, which in turn could have an adverse impact on the demand for land developed by the Group. The Group cannot ensure that the PRC government will not adopt additional and more stringent measures to further dampen the growth of the property sector, which could slow down property development in China. This may have a material adverse effect on the Group's business, financial condition and results of operations.

The PRC property market is cyclical, and the Group's property development activities are susceptible to significant fluctuations.

The PRC property market is, and is expected to continue to be, cyclical as a result of changes in market supply and demand. The rapid expansion of the property market in certain major cities in the PRC, including Guangzhou, Beijing and Shanghai, in the early 1990s culminated in an oversupply in the mid 1990s and a corresponding fall in property and rents in the second half of that decade. In addition, there

was also a fall in property prices and rental yields during the economic downturn in 2008. Since the late 1990s, the number and price of residential property development projects have increased in major cities as a result of an increase in demand driven by domestic economic growth. In particular, prices of residential properties in major PRC cities such as Shanghai and Beijing have experienced rapid and significant growth. In recent years, however, risk of property oversupply is increasing in certain parts of China, where property investment, trading and speculation have become overly active. In the event of actual or perceived oversupply, together with the effect of the PRC government policies to curtail the overheating of the property market, property prices may fall significantly and property sales and results of operations of the Group could be adversely affected. The growth of the property market in the PRC has become relatively flat in the last twelve months. It is uncertain what the effect of the lifting of the various government regulations on the property market will be as ultimately property prices are driven by demand and supply. There can be no assurance that the problems of oversupply and property prices crash will not recur in the PRC property market. To the extent that supply in the overall property market significantly exceeds demand, the Group may be affected by significant market downturns, and its sales of commodity properties, financial condition and results of operations could be materially and adversely affected.

In addition, the results of operations of the Group's real estate business are subject to seasonality and may fluctuate from time to time. The number of properties that the Group could develop or complete during any particular period is subject to a number of factors including but not limited to availability of land, construction schedule, permit approvals and lengthy development periods before revenue and profit from developments are realised and recognised (in particular for projects that are developed in multiple phases over the course of several years). Therefore, the cyclical property market in the PRC affects the timing for the Group's sale of completed properties. This cyclicality, combined with the lead time required for the completion of projects and the sale of properties, means that the results of operations of the Group relating to property development activities may be susceptible to significant fluctuations from year to year.

The Group's real estate business is subject to increasing competition.

In recent years, an increasing number of property developers have begun property development in the PRC as well as in Hubei Province. The major competitors of the Group's real estate business include large international, national and regional property developers. Some of these developers have longer track records, greater financial, marketing and land bank resources, wider brand recognition and superior economies of scale. The Issuer expects competition in the property sector to remain intense. The increasing number of property developers and the intensity of competition among property developers for land, financing, raw materials, skilled management and labour resources may result in increased costs for land acquisition, an oversupply of properties for sale, a decrease in property prices and a slowdown in the rate at which new property developments are approved by government authorities. Increased competition or other changes to market conditions may materially and adversely affect the business, financial condition and results of operations of the Group's real estate business.

The Group's real estate business may be materially and adversely affected if mortgage financing becomes more costly, less attractive or less available for purchasers.

Most of the purchasers of the residential properties the Group develops and sells rely on mortgages provided by PRC commercial banks to fund their purchase. Mortgage financing relating to property purchase has been heavily regulated in the PRC. In the past few years, the PRC government at different levels introduced a number of policies and measures to control the fast-increasing property prices and to curtail the overheating property market in the PRC. The PRC government also sought to control the development of the PRC property market by adjusting the benchmark lending interest rate. A material increase in the interest rate may significantly increase the cost of mortgage financing and may affect the affordability of the Group's commodity properties. All of these policies and measures have had a material impact on the property sales and prices of property in the PRC, including in Hubei Province. Continued controls over mortgage financing for property purchase will reduce the availability and

attractiveness of mortgage financing and many of the prospective customers may not be able to purchase the commodity properties the Group develops. Accordingly, the Group's real estate business and its related financial condition and results of operations may be materially and adversely affected.

The Ministry of Land and Resources may impose fines or penalties on the Group or revoke the land use rights with respect to certain land held by the Group.

Under applicable PRC laws and regulations, the Ministry of Land and Resources may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees if the Group does not commence development of the land held by the Group 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 Ministry of Land and Resources has the power to revoke the land use rights certificate without compensation if the Group does not commence development for more than two years after the date specified in the relevant land use rights grant contract without compelling causes. The State Council issued the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) which states, among other things, that the Ministry of Land and Resources and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the Ministry of Land and Resources issued in August 2009 the Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) which reiterates its policy on idle land. In September 2010, the Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development jointly issued the Notice on Further Strengthening the Administration and Control of Real Estate Land and Construction (關於進一步加強房地產用地和建 設管理調控的通知), which provides that a property developer and its shareholders will be prohibited from participating in land bidding before any illegal behaviour in which it engages, such as (1) having land idle for more than one year on its own reasons; (2) illegal transfer of land use rights; (3) noncompliance with the land development requirements specified in a land grant contract; and (4) crimes such as taking land by forging official documents and illegal land speculation, has been completely rectified. There is no assurance that circumstances leading to imposition of penalty, liquidated damages or forfeiture of the Group's land will not arise in the future. If the Group is required to pay substantial idle land fees, its results of operations and its reputation may be adversely affected. If the Group forfeits any land, they will not only lose the opportunity to develop the property projects on such land, but may also lose all of its investments in the land, including land premiums paid and development costs incurred.

The real estate business is subject to claims under statutory quality warranties.

Under the Regulations on Administration of Development and Operation of Urban Real Estate (城市房地產開發經營管理條例) enacted by the State Council, and Regulations for the Administration of Sale of Commodity Building (商品房銷售管理辦法), all property developers in the PRC must provide certain quality warranties for the properties they develop or sell. The Group is required to provide these warranties to the purchases of the properties it develops and sells. Generally, the Group receives quality warranties from its third-party contractors with respect to its property projects. If a significant number of claims were brought against the Group under its warranties and if the Group was unable to obtain compensation for such claims from third-party contractors in a timely manner or at all, the Group could incur significant expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm its reputation, and materially adversely affect its real estate business and related financial condition and results of operations.

Any failure by the Group to meet delivery schedules with respect to the properties it develops could adversely affect its business and results of operations.

The Group's pre-sales contracts and sales contracts with respect to its commodity properties include provisions relating to specific time of delivery, which vary from one case to another. The construction timetable of the Group's property projects may be affected by a number of factors, such as delay in obtaining necessary approvals, permits and licenses, changes in the Group's financial condition and liquidity and performance of third-party contractors. Some of these factors are beyond the Group's control. Material delay or failure to deliver the commodity properties may lead to breach of undertaking under the property pre-sales and sales contracts. Some of the Group's pre-sales contracts with respect to its commodity properties include provisions that provide for liquidated damages if the Group fails to deliver in accordance with the required timetable, which are typically levied at an agreed rate for each day of delay that is deemed to be the Group's responsibility. Any failure to meet the schedule requirements of these contracts could cause the Group to pay significant liquidated damages, which would reduce or eliminate its profit on the relevant contracts and could adversely affect its liquidity and cash flows and have a material adverse effect on its business, financial condition, results of operations and prospects.

RISKS RELATING TO THE GROUP'S INDUSTRIAL INVESTMENT AND OPERATION BUSINESS

The Group may be unsuccessful in integrating and managing future investments and/or acquisitions.

The Group from time to time considers investment and acquisition opportunities that may complement its core business portfolio and capabilities and assist in expanding the market share of its core and other business operations. The ability of the Group's operations to grow by investments in and/or acquisitions is dependent upon, and may be limited by, the requirements of the Wuhan Municipal Government, the availability of attractive projects, its ability to agree commercial, technical and financing terms to its satisfaction and obtaining required approvals from relevant regulatory authorities. There can be no assurance that the Group will be able to identify suitable investments and acquisition targets, complete the investments and acquisitions on satisfactory terms, if at all, or that the due diligence with respect to any acquisition will reveal all relevant facts that are necessary or useful in evaluating such opportunity.

Such investments and/or acquisitions may expose the Group to potential difficulties that could prevent it from achieving the strategic objectives for the investments and/or acquisitions or the anticipated levels of profitability from the investments and/or acquisitions. These difficulties include:

- diversion of management's attention from the Group's existing businesses;
- increases in the Group's expenses and working capital requirements, which may reduce its return on invested capital;
- difficulties in expanding into markets in different geographic locations and challenges of operating in markets and industries that the Group does not have substantial experience in;
- increases in debt, which may increase the Group's finance costs as a result of higher interest payments;
- exposure to unanticipated contingent liabilities to acquired businesses; and
- difficulties in integrating acquired businesses or investments into the Group's existing operations, which may prevent it from achieving, or may reduce, the anticipated synergies.

When analysing a potential acquisition, the Group will consider various factors, including but not limited to the quality of the target business, estimated costs associated with the acquisition and the management of the target business, prevailing market conditions and intensity of competition. The Group is unable to predict whether there will be any targets suitable for acquisition or when any suitable acquisition opportunities could arise.

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

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

RISKS RELATING TO THE PRC

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

The economy of the PRC experienced rapid growth in the past 30 years. There has been a slowdown in the growth of the PRC's GDP since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, the annual growth rate of China's GDP in 2020 slowed down to 2.3 per cent. on a year-on-year basis compared to 6.9 per cent. in 2017, representing the slowest growth in the past 30 years. If the slowdown in China's economic growth persists or if the Chinese economy experiences a recession, the Group's business prospects may be materially and adversely affected.

The Chinese economy and its performance are also exposed to and affected by material changes in global economic and political environments as well as the performance of certain major developed economies in the world, such as the United States and the European Union. The United Kingdom withdrew from the European Union on 31 January 2020 ("Brexit"), but continued to participate in certain EU organizations (such as the customs union) during a transition period that ended on 31 December 2020. With Brexit taking full effect, the political, social and macroeconomic impact of post-Brexit is uncertain, which could potentially lead to volatility in the global markets. In addition, the U.S. government and the Chinese government had been renegotiating their trade relationships and reached the phase one deal in early 2020. However, China and the United States have not launched the phase two negotiation yet and whether the trade disputes between China and the United States will eventually be fully resolved remains uncertain. It is also unclear the foreign policies the U.S. President Joe Biden and his administration will take towards China. Failure of trade negotiations between the United States and China may lead to additional costs and unexpected consequences on the Group's business. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact China's economy, which in turn could adversely impact the Group's business, financial condition and results of operations.

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, financial condition, results of operations 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, financial condition, results of operations and prospects.

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 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 Notes, 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.

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

As all of the Group's business are conducted, and substantially all of the Group's assets are located, in the PRC, the Group's operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes while prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, China has not developed a fully integrated legal system and recently enacted laws and regulations that may not sufficiently cover all aspects of economic activities in the PRC. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) 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 sometime after the violation. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention and it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgements by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations and to the holders of the Notes.

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

The Group and a number of the Group's subsidiaries are incorporated in the PRC. Substantially all of the Group's assets are located in the PRC. In addition, most of the Issuer's directors and executive officers reside within the PRC and the assets of the Group's directors and officers may be located within

the PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of the Issuer's directors and senior management, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for potential investors to enforce any judgments obtained from foreign courts against the Issuer, other members of the Group or any of their respective directors or senior management in the PRC.

The payment of dividends by the Issuer's operating subsidiaries in the PRC is subject to restrictions under PRC laws.

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.

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

The PRC Labour Contract Law (中華人民共和國勞動合同法) became effective on 1 January 2008 in the PRC and was amended on 28 December 2012. It imposes more stringent requirements on employers in relation to entry into fixed-term employment contracts and dismissal of employees. Pursuant to the PRC Labour Contract Law, the employer is required to make 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 monthly wage of the employee multiplied by the number of full years that the employee has worked for the employer. A minimum wage requirement has also been incorporated into the PRC Labour Contract Law. In addition, unless otherwise prohibited by the PRC Labour Contract Law or objected to by the employees themselves, the employer is also required to enter into non-fixed-term employment contracts with employees who have previously entered into fixed-term employment contracts for two consecutive terms.

In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid annual leave ranging from five to 15 days, depending on the length of the employees' work time. Employees who consent to waive such vacation at the request of employers shall be compensated an amount equal to three times their normal daily salaries for each vacation day being waived. Under the National Leisure and Tourism Outline 2013-2020 (國民旅遊休閒綱要2013-2020) which became effective on 2 February 2013, all workers must receive paid annual leave by 2020. As a result of the PRC Labour Contract Law, the Regulations on Paid Annual Leave for Employees and the National Leisure and Tourism Outline 2013-2020, the Group's labour costs (inclusive of those incurred by contractors) may increase. Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees' employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non-fixed-term employment contracts under the PRC Labour Contract Law without cause. In the event the Group decides to significantly change or decrease its workforce, the

PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group's business, financial condition and results of operations.

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

Government control of currency conversion and future movements in exchange rates may adversely affect the Group's business, results of operations and financial condition.

The Notes are denominated in US dollars. All of the Group's revenue is denominated in Renminbi, which is not freely convertible and subject to foreign exchange control. A portion of the Group's Renminbi revenue may need to be converted into other currencies to meet the Group's requirements for foreign currencies, including debt service on foreign currency-denominated debt, such as the Notes. Foreign exchange transactions under the capital account, including principal payments with respect to foreign currency-denominated obligations, are subject to the approval requirements of SAFE.

In addition, the Group's functional currency is Renminbi. The value of the Renminbi against the US dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. Fluctuations in the exchange rate of the Renminbi against the US dollar and certain other foreign currencies may adversely affect the Group's business, results of operations and financial condition.

The value of Renminbi against US dollar and other foreign currencies may fluctuate significantly and is affected by, among other things, the domestic and international economies, political conditions and supply and demand of currency. On 21 July 2005, the PRC government changed its policy of pegging the value of Renminbi to US dollar. Under the new policy, Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy resulted in an appreciation in the value of Renminbi against US dollar. The floating band was further widened to 0.5 per cent. on 18 May 2007, to 1.0 per cent. on 16 April 2012 and then to 2.0 per cent. on 15 March 2014. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate for the last trading date. Since then, the Renminbi has devalued against the US dollar. It is possible that the PRC government could adopt a more flexible currency policy in the future, which could result in further and more significant revaluations of Renminbi against US dollar or any other foreign currency. If such reforms were implemented and resulted in further devaluation of the Renminbi against the US dollar, the Group's financial condition and results of operations could be adversely affected. Such devaluation could also adversely affect the value, translated or converted into US dollars or otherwise, of the Group's earnings and ability to satisfy its obligations under the Notes.

The Group may not be able to protect its intellectual property rights successfully.

The legal regime governing intellectual property in the PRC is still evolving and the level of protection of intellectual property rights in the PRC may differ from those in other jurisdictions. The steps the Group has taken to safeguard its intellectual property rights may not be adequate. As a result, the Group may suffer losses or damage to its reputation in the event that its trademarks or other intellectual property rights have been misappropriated by third parties.

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

Facts and other statistics in this Offering Circular relating to the PRC or Hubei Province, the respective 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 Joint Lead Managers, the Trustee, the Agents or any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates, and, therefore, the Issuer, the Joint Lead Managers, the Trustee, the Agents or any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates 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, potential investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

RISKS RELATING TO THE NOTES

The Notes are unsecured obligations.

The Notes are unsecured obligations of the Issuer. The repayment of the Notes may be adversely affected if:

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

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

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

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

Each potential investor in any Notes 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 Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes 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 Notes, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- understand the tax consequence of the purchase, ownership and disposition of the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Additionally, the investment activities of certain investors are subject to legal investment and regulations, or review or regulation by certain authorities.

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

The Notes will initially be represented by a Global Certificate which will be deposited with a common depositary for Euroclear and Clearstream (a "Clearing System"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Notes. The Clearing System (s) will maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by a Global Certificate, the Issuer will discharge its payment obligations under the Notes by making payments to the Clearing System (s) for distribution to their account holders.

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

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing System (s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Trust Deed.

The Issuer may not be able to finance the redemption of Notes upon the occurrence of a Change of Control or a No Registration Event at the option of the holder.

Following the occurrence of a Change of Control or a No Registration Event, Noteholders may require the Issuer to redeem their Notes. See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption upon Change of Control or a No Registration Event". The source of funds for any such redemption would be the Issuer's available cash or third- party financing. However, there is no assurance that the Issuer would have sufficient funds at that time to make the required redemption of the Notes. The ability to redeem the Notes in such event may also be limited by the terms of other debt

instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Group.

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

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

The Issuer may issue additional Notes in the future.

The Issuer may, from time to time, and without prior consultation with the Noteholders create and issue further securities in accordance with the Terms and Conditions (see "Terms and Conditions of the Notes – Further Issues"). There can be no assurance that such future issuance will not adversely affect the market price of the Notes.

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

The Terms and Conditions and the Trust Deed contain provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes including holders who did not attend and vote at the meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual Noteholders.

Modifications and/or waivers may be made in respect of the Notes, the Trust Deed and the Agency Agreement by the Trustee.

The Terms and Conditions also provide that the Trustee may, without the consent of Noteholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Terms and Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Notes or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Terms and Conditions and the Trust Deed, respectively) shall not be treated as such, provided in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of Noteholders or may agree, without any such consent aforesaid, to any modification of the Terms and Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Notes which is in its opinion of a formal, minor or technical nature or is to correct a manifest error or an error which is, in the opinion of the Trustee, is proven or to comply with any mandatory provision of law.

An active trading market for the Notes may not develop and the liquidity or price of the Notes may be volatile.

The Notes are a new issue of securities for which there is currently no trading market. There is no assurance that an active trading market for the Notes will develop or as to the liquidity or sustainability of any such market, the ability of holders to sell their Notes or the price at which holders will be able to sell their Notes. If a market does develop, it may not be liquid and the Notes may trade at prices that may be higher or lower than the initial offering price, depending upon many factors, including prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Group. The Joint Lead Managers are not obliged to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, Noteholders should be aware of the prevailing and widely reported global credit market

conditions (which are continuing as at the date of this Offering Circular), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Group. It is not possible to predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

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

In certain circumstances (including, without limitation, the giving of notice to the Issuer or the taking of action pursuant to Condition 10 (Events of Default) of the Terms and Conditions), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security, and/or prefunding to its satisfaction before it takes proceedings and/or other steps or actions on behalf of Noteholders. The Trustee shall not be obliged to take any such proceedings and/or other steps or actions if not indemnified and/or secured, and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security, and/or prefunding can be a lengthy process and may impact on when such proceedings and/or other steps or actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed constituting the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the Trust Deed and the applicable law, it will be for the Noteholders to take such proceedings and/or other steps or actions directly.

Gains on the transfer of the Notes may be subject to income tax under PRC tax laws.

Under the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法)(the "EIT Law") and its implementation rules, any gains realised on the transfer of the Notes 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. In addition, there is uncertainty as to whether gains realised on the transfer of the Notes 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 Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income.

According to an arrangement between mainland China and Hong Kong for avoidance of double taxation, Noteholders 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 Notes.

On 23 March 2016, the MOF and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (關於全面推開營業稅改徵增值稅試點的通知)(Caishui [2016] No. 36) ("Circular 36"), which introduced a new value-added tax ("VAT") from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide financial services such as providing loans within the PRC. The Issuer will be obliged to withhold VAT of 6.0 per cent. and certain surcharges on payments of interest and certain other amounts on the Notes paid by the Issuer to Noteholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of Notes between entities or individuals located outside the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Notes, but there is

uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

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

PRC corporate disclosure and accounting standards differ from IFRS.

The Issuer is not listed on any stock exchange. There may be less publicly available information about the Issuer than is regularly made available by public companies in certain other countries. In addition, the financial statements of the Issuer are prepared and presented in accordance with PRC GAAP. PRC GAAP differs in certain respects from IFRS. See "Description of Certain Differences between PRC GAAP and IFRS".

If the Issuer fails to complete the post-issuance filing with the NDRC in connection with the Notes, NDRC may impose penalties or other administrative procedures on the Issuer.

On 14 September 2015, the NDRC promulgated the NDRC Circular pursuant to which if a PRC enterprise or an offshore enterprise or a branch controlled by a PRC enterprise wishes to issue bonds or notes outside the PRC with a maturity term of one year or longer, such PRC enterprise must in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue. The enterprise must also report certain issuance details of the bonds to the NDRC within 10 working days after the completion of the note issue.

The NDRC Circular is silent on the legal consequences of noncompliance with the post-issue notification requirement The Issuer has undertaken to notify the NDRC of the particulars of the issue of the Notes within the prescribed period under the NDRC Circular.

Since the NDRC Circular does not have any detailed implementation procedures, there is no assurance that the NDRC will not issue further implementation rules or notices which may require additional steps in terms of the registration or provide sanctions or other administrative procedures in case of failure to complete the NDRC Post-issue Filing. The Issuer has completed the Pre-Issuance Registration with the NDRC and obtained an Enterprise Foreign Debt Filing Registration Certificate dated 24 September 2021. If the Issuer does not complete the post-issuance filing with respect to the Notes within the prescribed timeframe (including as a result of reasons outside the Issuer's control), the NDRC may impose sanctions or other administrative procedures on the Issuer which may have a material adverse impact on the Group's business, financial condition or results of operations.

Any failure to complete the relevant registration under SAFE within the time period prescribed following the completion of the issuance of the Notes by applicable PRC laws and regulations may have adverse consequences for the Group and/or the investors of the Notes.

The Issuer is required to submit the Notes to the local branch of the SAFE for registration in accordance with the procedures and within the period prescribed by the Administrative Measures for Foreign Debt Registration (外債登記管理辦法)(the "Foreign Debt Registration Measures") and any applicable laws and the requirements of competent SAFE. Pursuant to article 27(5) of the Foreign Debt Registration Measures, a failure to comply with registration requirements may result in a warning and fine as set forth under article 48 of the Foreign Exchange Administrative Regulations promulgated by the State Council in 2008.

The Issuer intends to submit the registration application of the Notes to the local branch of the SAFE within the time period prescribed. If the Issuer fails to complete the SAFE Registration, there may be logistical hurdles at the time of remittance of funds if any cross-border payment is to be made by the Issuer as PRC domestic banks may require evidence of the SAFE Registration in connection with the

Notes in order to effect such remittance. In addition, the Issuer may not be able to effect the remittance of the net proceeds from the issue of the Notes into the PRC if the Issuer is not able to complete the post-issue registration with the SAFE and obtain the registration record from SAFE. This may have a negative impact on Issuer's use of the proceeds from this offering and may in turn adversely affect the Issuer's business activities and the implementation of the Issuer's business plans in the future. Furthermore, in the unlikely event that having exercised the Issuer's best endeavours, it is unable to complete such registration within the abovementioned time period, a No Registration Event will be triggered. See "Terms and Conditions – Redemption and Purchase – Redemption upon Change of Control or No Registration Event".

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

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

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

The Terms and Conditions and the Trust Deed are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Under the Arrangement of the Supreme People's Court between the Courts of the Mainland and of the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (Fa Shi [2008] No.9)(最高 人民法院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 (法釋[2008]9號))(the "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. The Arrangement is still in full force and effect as of the date of the Issue of the Notes and will be replaced by and become invalid when the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and Hong Kong (《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 "New Arrangement"), which was signed on 18 January 2019, comes into effect. Pursuant to the New Arrangement, if the parties have already signed the choice of court agreement in writing under the Arrangement before the New Arrangement enters into force, the Arrangement shall still apply.

However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by the Arrangement. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts in respect of a dispute governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Notes 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.

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

The Notes 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 Notes, due to, among other things, economic, political and other factors over

which the Group has no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes 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 Notes.

Wuhan SASAC or any other PRC governmental entity is not contractually obliged to repay any amount under the Notes or the Trust Deed if the Issuer fails to meet its obligations under these instruments.

The Issuer is wholly controlled and owned by Wuhan SASAC. Wuhan SASAC as the ultimate equity holder of the Issuer only has limited liability in the form of its equity contribution in the Issuer. As such, neither Wuhan SASAC nor any other PRC governmental entity has any payment or other obligations under the Notes or the Trust Deed and will not provide a guarantee of any kind for the Notes. The Noteholders shall have no recourse to Wuhan SASAC or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Notes or the Trust Deed. The Notes are solely to be repaid by the Issuer and the obligations of the Issuer under the Notes or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. This position has been reinforced by the MOF Circular and the Joint Circular. The MOF Circular and the Joint Circular 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 or land reserves as the Group's assets) to the Group in its ordinary course of business in compliance with PRC laws and regulations.

Therefore, investors should base their investment decision only on the financial condition of the Issuer and the Group and base any perceived credit risk associated with an investment in the Notes only on the Group's own financial information reflected in its financial statements.

The Notes will be structurally subordinated to the existing and future indebtedness and other liabilities and commitments of the Issuer's existing and future subsidiaries.

None of the Issuer's subsidiaries will guarantee the Notes. Therefore, the Notes will be structurally subordinated to any indebtedness and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's existing or future subsidiaries, whether or not secured. 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 and the contracts and agreements which they enter into from time to time. The Issuer's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes or make any funds available therefor, whether by dividends, loans or other payments. As a result, all claims of creditors of the existing and future subsidiaries of the Issuer, including trade creditors, lenders and all other creditors, and rights of holders of preferred shares of such subsidiaries (if any) will have priority as to the assets of such subsidiaries over claims of the Issuer as shareholder and those of creditors of the Issuer, including holders of the Notes.

If the Issuer is unable to comply with the terms of the Trust Deed or its other debt obligations and other agreements, there could be a default under those obligations or agreements, which could cause repayment of the Issuer's debt to be accelerated.

If the Issuer is unable to comply with the terms in the Trust Deed or its debt obligations and other agreements, there could be a default under those obligations or agreements. If that occurs, the holders of the debt could terminate their commitments to lend to the Issuer, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, the Trust Deed, and the Issuer's future debt agreements are likely to 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, or result in a default under, the Notes. 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 it.

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

The Issuer may redeem the Notes at its option, in whole but not in part, at any time at their outstanding principal amount, together with interest accrued to but excluding the date of redemption if, subject to certain conditions, as a result of a change in, or amendment to, certain tax laws, the Issuer has or will become obliged to pay Additional Tax Amounts, as further described in Condition 7.2 (*Redemption for Taxation Reasons*) of the Terms and Conditions. See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons". If the Issuer redeems the Notes prior to the Maturity Date, investors may not receive the same economic benefits they would have received had they held the Notes to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Notes:

The U.S.\$450,000,000 in aggregate principal amount of 3.40 per cent. Notes due 2024 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 and forming a single series with the Notes) were authorised by written resolutions of the board of directors of Wuhan Financial Holdings (Group) Co., Ltd. (武漢金融 控股(集團)有限公司)(the **Issuer**) dated 24 June 2021. The Notes are constituted by a Trust Deed (the **Trust Deed**) dated 16 November 2021 (the **Issue Date**) made between the Issuer and Citicorp International Limited (the **Trustee**, which expression shall include its successor(s)) as trustee for the holders of the Notes (the **Noteholders**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Upon written request and proof of Noteholders' ownership, copies of the Trust Deed and the agency agreement dated 16 November 2021 (the Agency Agreement) made between the Issuer, Citibank, N.A., London Branch as the registrar (the Registrar, which expression shall include its successor(s)), Citibank, N.A., London Branch as transfer agent (the Transfer Agent, which expression shall include its successor(s)), Citibank, N.A., London Branch as initial principal paying agent (the Principal Paying Agent, which expression shall include its successor(s)) and any other agents that may be appointed thereunder and the Trustee are available to Noteholders during normal business hours (i) from the principal office for the time being of the Principal Paying Agent, being at the date of issue of the Notes at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong and from the specified office of each of the Agents or (ii) through electronic mail. References herein to Agents means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time pursuant to the Agency Agreement with respect to the Notes and shall include their respective successors. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are issued in registered form in amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (referred to as the **principal amount** of a Note). A note certificate (each a **Certificate**) will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar, at the registered office of the Issuer and in accordance with the provisions of the Agency Agreement (the **Register**).

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing (save for the endorsed form of transfer, duly completed) on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions **Noteholder** and (in relation to a Note) **holder** means the person in whose name a Note is registered in the Register.

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

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

2. TRANSFERS OF NOTES AND ISSUE OF CERTIFICATES

2.1 Transfers

A Note may, subject to the Agency Agreement and Conditions 2.4 and 2.5, be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any Transfer Agent.

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

2.2 Delivery of New Certificates

Each new Certificate to be issued upon transfer of Notes will, within five business days of receipt by the Registrar or the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition 2.2, **business day** shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the principal amount of Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the principal amount of Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer. Both the principal amount transferred and the principal amount remaining must be a minimum of U.S.\$200,000 and must be a multiple of U.S.\$1,000.

2.3 Formalities Free of Charge

Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, premium or interest on that Note, (ii) after a Put Exercise Notice (as defined in Condition 7.3) has been deposited in respect of the Notes pursuant to Condition 7.3, (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any record date (as defined in Condition 6.1).

2.5 Regulations

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes, the initial form of which is scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge at the expense of the Issuer) by the Registrar to any Noteholder who requests one.

3. STATUS OF THE NOTES

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as stated above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. COVENANTS

4.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Subsidiaries (as defined below) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (the Security) upon the whole or any part of its business, undertaking, assets or revenues (including any uncalled capital), present or future, to secure the repayment or payment of principal, premium or interest of or on any Relevant Indebtedness (as defined below), or any guarantee of or indemnity given in respect of the repayment or payment of principal, premium or interest of or on any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes (i) are secured by the Security equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement (whether or not it includes the giving of a Security) as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

4.2 Provision of Information

So long as any Note remains outstanding:

the Issuer will furnish the Trustee within 14 days of request by the Trustee and within 150 days after the end of each financial year for the time being (which is, at the Issue Date, 31 December) with a Compliance Certificate (as defined below) in accordance with the Trust Deed, on which the Trustee may rely as to such compliance, and the Issuer shall prepare and supply to the Trustee and make available for inspection by any Noteholder within 150 days after the end of each financial year for the time being (which is, at the Issue Date, 31 December) its audited consolidated financial statements (including but not limited to the balance sheet, income statement, cash flow statement and statement of changes in owner's equity, each on an individual and a consolidated basis, together with accompanying notes), prepared in accordance with generally accepted accounting principles applicable to enterprises established in the PRC (as defined below), together with the relevant audit report thereto as at and for the last financial year and if such statements shall be in the Chinese language, together with an English translation of the same translated by (i) the Issuer's auditor, (ii) a nationally recognised firm of independent accountants of good repute or (iii) a professional translation service provider, together with a certificate in the English language signed by an authorised signatory of the Issuer (as previously notified to the Trustee in writing in accordance with the Trust Deed from time to time (an **authorised signatory**)) certifying that such translation is complete and accurate; and

(b) the Issuer shall prepare and supply to the Trustee and make available for inspection by any Noteholder within 90 days after the end of each financial half-year for the time being (which is, at the Issue Date, 30 June) the unaudited semi-annual financial statements of the Issuer (including but not limited to the balance sheet, income statement, cash flow statement and statement of changes in owner's equity, each on an individual and a consolidated basis, together with accompanying notes), prepared in accordance with generally accepted accounting principles applicable to enterprises established in the PRC (together with the relevant review report thereto as at and for the last six months of the financial year, and if such financial statements shall be in the Chinese language, together with an English translation of the same translated by (i) the Issuer's auditor, (ii) a nationally recognised firm of independent accountants of good repute or (iii) a professional translation service provider, together with a certificate in the English language signed by an authorised signatory certifying that such translation is complete and accurate.

4.3 Notification to NDRC

The Issuer undertakes to file or cause to be filed with the National Development and Reform Commission of the PRC or its local counterparts (the NDRC) the requisite information and documents within ten PRC Business Days (as defined below) after the Issue Date in accordance with the Circular on Promoting the Reform of the Filing and Registration System on the Issuance by Enterprises of Foreign Debt (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015] 2044號)) issued by the NDRC and which came into effect on 14 September 2015, and any implementation rules as issued by the NDRC from time to time (the NDRC Post-issue Filing).

The Issuer shall within five PRC Business Days after submission of such NDRC Post-issue Filing (i) provide the Trustee with a certificate in English substantially in the form set out in the Trust Deed signed by an authorised signatory confirming the submission of the NDRC Post-issue Filing, together with any document(s) (if any) evidencing due filing with the NDRC and (ii) give notice substantially in the form set out in the Trust Deed to the Noteholders (in accordance with Condition 13) of the same. The Trustee shall have no obligation to monitor and ensure the completion of the NDRC Post-issue Filing on or before the deadline referred to above or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-issue Filing, and shall not be liable to the Noteholders or any other person for not doing so.

4.4 Undertaking in relation to the SAFE Registration

The Issuer undertakes that it shall (a) within 15 PRC Business Days after the Issue Date, register or cause to be registered with SAFE the Notes 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 SAFE Registration); (b) use its best endeavours to complete the SAFE Registration and obtain a registration record from SAFE or its local counterpart on or before the Registration Deadline; and (c) comply with all applicable PRC laws and regulations in relation to registration of the Notes promulgated thereunder from time to time.

The Issuer shall within ten PRC Business Days after the receipt of the registration form or filing evidence from SAFE (or any other document evidencing the completion of registration issued by SAFE), (a) 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 SAFE Registration and (ii) copies of the relevant documents evidencing the SAFE Registration, certified in English by an authorised signatory of the Issuer as a true and complete copy of the original (the items specified in (i) and (ii) together, the **Registration Documents**), and (b) give notice substantially in the form set out in the Trust Deed to the Noteholders (in accordance with Condition 13) confirming the completion of the SAFE Registration.

The Trustee shall have no obligation or duty to monitor or ensure the completion of the SAFE Registration on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the SAFE Registration, or to give notice to the Noteholders confirming the completion of the SAFE Registration, and shall not be liable to the Noteholders or any other person for not doing so.

4.5 Interpretation

For the purposes of these Conditions:

Compliance Certificate means a certificate of the Issuer signed by an authorised signatory that as at a date (the Certification Date) not more than five days before the date of the certificate:

- (i) no Event of Default (as defined in Condition 10) or Potential Event of Default (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, the Agency Agreement and the Notes or, if non-compliance had occurred, giving details of it;

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

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

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

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

Relevant Indebtedness means any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of, or represented by, any notes, bonds, debentures, debenture stock, loan stock, certificates or other securities issued outside the PRC with an original maturity of more than one year which are, or are intended to be or capable of being quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market;

SAFE means the State Administration of Foreign Exchange or its local branch; and

a **Subsidiary** of any person means, (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated

with those of that person or which, under the law, 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.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including 16 November 2021 at the rate of 3.40 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$17.00 per Calculation Amount (as defined below) on 16 May and 16 November in each year (each an **Interest Payment Date**). The first payment (representing a full six months' interest) (for the period from and including 16 November 2021 to but excluding 16 May 2022) shall be made on 16 May 2022.

Interest in respect of any Note shall be calculated per U.S.\$1,000 in principal amount of the Notes (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 calculated in accordance with Condition 5.3, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation or surrender, payment of the principal or premium in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment in which event interest will continue to accrue as provided in the Trust Deed.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six-month period, it shall be calculated on the basis 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.

6. PAYMENTS

6.1 Payments in Respect of Notes

Payment of principal, premium and interest will be made by transfer to the registered account of the Noteholder. Payments of principal or premium and payments of interest due otherwise than on an Interest Payment Date will only be made against (provided that payment is made in full) surrender of the relevant Certificate at the specified office of the Paying Agent. Interest on Notes due on an Interest Payment Date and principal due on maturity of the Notes will be paid to the holder shown on the Register at the close of business on the date (the **record date**) being the fifth Business Day (as defined below) before the relevant Interest Payment Date or, as the case may be, the Maturity Date (as defined in Condition 7.1).

For the purposes of this Condition 6, a Noteholder's **registered account** means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business, in the case of principal, premium and interest due otherwise than on an Interest Payment Date, on the second Business Day before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant record date, and a Noteholder's **registered address** means its address appearing on the Register at that time.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the Global Certificate), each payment in respect of the Global Certificate will be made to the person shown as the Noteholder 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.

6.2 Payments Subject to Applicable Laws

Payments in respect of principal, premium and interest on Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable 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 (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.

6.3 No Commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition.

6.4 Payment on Business Days

Payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated on the due date for payment (or, if it is not a Business Day, the immediately following Business Day). Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day (subject to the foregoing proviso), if the Noteholder is late in surrendering its Certificate (if required to do so).

6.5 Partial Payments

If the amount of principal, premium or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal, premium or interest in fact paid and (in the case of payment of principal) will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount.

6.6 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be an Agent (which may be the Principal Paying Agent) having a specified office in the place required by the rules and regulations of the relevant stock exchange or any other relevant authority;

- (c) there will at all times be a Transfer Agent; and
- (d) there will at all times be a Registrar which will maintain the Register outside the United Kingdom.

Notice of any termination or appointment and of any changes in specified offices shall be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

6.7 Interpretation

For the purpose of these Conditions, **Business Day** means a day (other than a Saturday, a Sunday or on a public holiday) on which banks and foreign exchange markets are generally open for business and settlement of U.S. dollar payments in London and New York City and (if surrender of the relevant Certificate is required) the relevant place of presentation.

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 16 November 2024 (the **Maturity Date**).

7.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of the PRC, or any change in, or amendment to, the application or official interpretation of the laws or regulations of the PRC, which change or amendment becomes effective on or after 9 November 2021 the Issuer would be required to pay Additional Tax Amounts (as defined in Condition 8); and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their outstanding principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver to the Trustee (i) a certificate signed by an authorised signatory of the Issuer stating that the requirement referred to in (a) above will apply and cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts (as defined in Condition 8.1) as a result of such change or amendment, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Noteholders.

7.3 Redemption upon Change of Control or No Registration Event

Following the occurrence of a Change of Control or No Registration Event (each as defined below), the holder of each Note will have the right at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Notes on the Put Settlement Date (as

defined below) at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their outstanding principal amount together with accrued interest up to but excluding the Put Settlement Date. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption (in the form for the time being current) obtainable from the specified office of any Paying Agent (the Put Exercise Notice) together with the Certificate evidencing the Notes to be redeemed by not later than 30 days following a Change of Control or No Registration Event, as the case may be, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 13. The Put Settlement Date shall be the fourteenth day or, if such day is not a Business Day, the next following Business Day (in the case of a redemption for a Change of Control) or the fifth Business Day (in the case of a redemption for a No Registration Event) after the expiry of such period of 30 days as referred to above. A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date. If the Notes become due and repayable due to the occurrence of an Event of Default following the delivery of a Put Exercise Notice but prior to the occurrence of the relevant Put Settlement Date, such Put Exercise Notice shall be deemed to be void.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or No Registration Event or any event which could lead to the occurrence of a Change of Control or No Registration Event has occurred. The Issuer shall give notice to Noteholders and the Trustee in accordance with Condition 13 by not later than 14 days (in the case of a redemption for a Change of Control) or five days (in the case of a redemption for a No Registration Event) following the first day on which it becomes aware of the occurrence of a Change of Control or No Registration Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition and shall give brief details of the Change of Control or No Registration Event.

For the purposes of this Condition 7.3:

a **Change of Control** occurs when:

- (i) the Government Persons collectively cease to Control (as defined below), directly or indirectly, the Issuer; or
- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any Other Person or Persons, acting together, except where such Person(s) is/are Controlled (as defined below), directly or indirectly, by the Government Persons;

Control means (where applicable): (i) the ownership or control of 90 per cent. of the Voting Rights of the issued share capital of the Issuer or (ii) the nomination or designation of no less than 50 per cent. of the members then in office of a Person's board of director 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. For the avoidance of doubt, a Person is deemed to Control another Person so long as it fulfils one of the two foregoing requirements and the terms Controlling and Controlled have meaning correlative to the foregoing;

a **Government Person** means any of the People's Government of Wuhan Municipality, the People's Government of Hubei Province or the Social Security Fund of the People's Republic of China or any Person Controlled by any of the foregoing;

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

Other Persons means any Person who does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date;

Registration Conditions means the receipt by the Trustee of the Registration Documents relating to the SAFE Registration as set forth in Condition 4.4;

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

Voting Rights means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency, and any such voting power shall therefore be excluded for the purpose of this definition).

7.4 Notices of Redemption

If, in respect of any Note, both a redemption notice pursuant to Condition 7.2 and a Put Exercise Notice are given, the Put Exercise Notice shall prevail.

7.5 Purchases

The Issuer or any of the Issuer's Subsidiaries may at any time purchase Notes in any manner and at any price. The Notes so purchased, while held by or on behalf of the Issuer or any of the Issuer's Subsidiaries, shall not entitle the holder to vote at any meetings of the holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the holders or for the purposes of Condition 10, Condition 11 and Condition 14.1.

7.6 Cancellations

All Notes which are (i) redeemed or (ii) purchased by or on behalf of the Issuer or any of the Issuer's Subsidiaries will forthwith be cancelled, and accordingly may not be held, reissued or resold.

8. TAXATION

8.1 Payment Without Withholding

All payments of principal, premium and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of any of the PRC or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of the Taxes is required by law. Where such withholding or deduction is made by the Issuer by or within the PRC up to and including the aggregate rate applicable on 9 November 2021 (the **Applicable Rate**), the Issuer will pay such additional amounts as may be necessary in order that the net amount received by Noteholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction.

If the Issuer is required to make a deduction or withholding by or within the PRC in excess of the Applicable Rate, the Issuer will pay such additional amounts (the **Additional Tax Amounts**) as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no Additional Tax Amounts shall be payable in relation to any payment in respect of any Note:

- (a) presented for payment by or on behalf of a holder (or to a third party on behalf of a holder) who is liable to the Taxes in respect of the Note by reason of the holder having some connection with the PRC other than the mere holding of the Note; or
- (b) (in the case of payment of principal, premium or interest (other than interest due on an Interest Payment Date)) if the Certificate in respect of such Note is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to Additional Tax Amounts on presenting the same for payment on the last day of the period of 30 days assuming (whether or not such is in fact the case) that day to have been a Business Day.

8.2 Interpretation

In these Conditions, **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by an Agent or by or to the order of the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13.

8.3 Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition or any additional amounts which may be payable under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

9. PRESCRIPTION

Claims in respect of principal, premium (if any) and interest will become prescribed unless made within ten years (in the case of principal and premium) and five years (in the case of interest) from the Relevant Date.

10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, if any of the following events occurs (the **Events of Default**):

(a) default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of seven days; or

- (b) the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of the Issuer's Subsidiaries becomes, or becomes capable of being declared, due and repayable prior to its stated maturity by reason of an event of default or potential event of default (however described); (ii) the Issuer or any of the Issuer's Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or within any originally applicable grace period; or (iii) the Issuer or any of the Issuer's Subsidiaries fails to make any payment in respect of any amount payable under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person on the due date for payment; provided that no event described in this subparagraph 10.1(c) shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) through (iii) inclusive above which have occurred, amounts to at least U.S.\$30,000,000 (or the equivalent thereof in any other currency); or
- (d) any order is made by any competent court or resolution is passed for the winding-up or dissolution of the Issuer or any of the Issuer's Principal Subsidiaries, save in the case of any Principal Subsidiary, (i) for any voluntary solvent winding-up, liquidation or dissolution; or (ii) for the purpose of and followed by any dissolution, reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or (B) whereby the business, undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer or are disposed of on an arm's-length basis where the proceeds of or consideration of such disposal are transferred to or otherwise vested in the Issuer and/or another of its Subsidiaries; or
- (e) the Issuer or any of the Issuer's Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all part of its business (save in the case of any Principal Subsidiary, where the cessation is (i) for the purposes of a voluntary solvent winding-up, liquidation or dissolution; or (ii) for the purpose of and followed by dissolution, reconstruction, reorganisation, merger or consolidation (A) whereby the business, undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in another Subsidiary of the Issuer or are disposed of on an arm's-length basis where the proceeds of or consideration of such disposal are transferred to or otherwise vested in the Issuer and/or another of its Subsidiaries; or (B) on terms approved in writing by the Trustee or by an Extraordinary Resolution) or the Issuer or any of the Issuer's Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, all or a substantial part of its debts as they fall due; or
- (f) any Security, present or future, created or assumed by the Issuer or any of the Issuer's Principal Subsidiaries over all or a substantial part of its assets or revenues 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

- (g) (i) proceedings are initiated against the Issuer or any of the Issuer's Principal Subsidiaries in relation to all or any substantial part of the assets or revenues of the Issuer or any of the Issuer's Principal Subsidiaries, or (ii) the Issuer or any of the Issuer's Principal Subsidiaries (or their respective directors or shareholders) initiates or consents to any judicial proceedings relating to itself, under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a general moratorium in respect of all or any substantial part of its debts), or (iii) an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of the Issuer's Principal Subsidiaries or, as the case may be, in relation to all or any substantial part of the undertaking, assets or revenues of the Issuer or any of the Issuer's Principal Subsidiaries or a distress, execution, attachment, sequestration or other process is levied, enforced upon or put in force against all or any substantial part of the assets or revenues of the Issuer or any of the Issuer's Principal Subsidiaries; and in any such case (other than the appointment of an administrator) unless initiated by the relevant company is not discharged or stayed within 45 days; or
- (h) the Issuer or any of the Issuer's Principal Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or any substantial part of its debts; or
- (i) all or any substantial part of the undertaking, assets or revenues of the Issuer or any of the Issuer's Principal Subsidiaries is condemned, seized, expropriated or otherwise appropriated by any person acting under the authority of any national, regional or local government; or
- (j) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully to enter into, exercise its rights and perform and comply with its obligations under these Conditions and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (k) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed; or
- (l) any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (d) to (i) above.

10.2 Interpretation

For the purposes of this Condition:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money (including but not limited to bank loans and other borrowings).

Principal Subsidiary means any Subsidiary of the Issuer:

- (a) whose operating revenue (consolidated in the case of a Subsidiary which itself has consolidated subsidiaries), net profits (consolidated in the case of a Subsidiary which itself has consolidated subsidiaries) or total assets (consolidated in the case of a Subsidiary which itself has consolidated subsidiaries) represents not less than five per cent. of the consolidated operating revenue, consolidated net profits or, as the case may be, consolidated total assets of the Issuer, all as calculated respectively by reference to the latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Issuer, provided that:
 - i. in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the latest audited consolidated financial statements of the Issuer shall be deemed to be a reference to such audited financial statements adjusted as if such Subsidiary had been shown therein by reference to its then latest relevant audited financial statements;
 - ii. if at any relevant time in relation to the Issuer or any Subsidiary no financial statements are prepared and audited, its operating revenue, net profits and total assets (consolidated, if applicable) shall be determined on the basis of pro forma financial statements (consolidated, if applicable) prepared for this purpose by the Issuer; and
 - iii. if the financial statements 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 financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Issuer prepared for this purpose by the Issuer; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (i) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary; and (ii) the transferee Subsidiary shall immediately become a Principal Subsidiary, provided that on or after the date on which the relevant audited financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above of this definition.

A certificate signed by an authorised signatory of the Issuer, whether or not addressed to the Trustee, that in their opinion a Subsidiary is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall (in the absence of manifest error), be conclusive and binding on all parties. The certificate shall, if there is a dispute as to whether any Subsidiary of the Issuer is or is not a Principal Subsidiary, be accompanied by a report by a nationally or internationally recognised firm of accountants addressed to the Issuer as to proper extraction of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation.

11. ENFORCEMENT

- 11.1 The Trustee may at any time, at its discretion and without notice, take such proceedings and/ or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- 11.2 The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.
- 11.3 No Noteholder shall be entitled (i) to take any steps or action directly against the Issuer to enforce the performance of any of the provisions of the Trust Deed or the Notes or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Trustee, having become bound so to take any steps or action, fails so to do within a reasonable period and the failure shall be continuing.

12. 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 and to the regulations referred to in Condition 2.5, at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. NOTICES

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading newspaper having general circulation in Asia. The Issuer shall also ensure that notices are duly given or published at the Issuer's expense in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any notice shall be deemed to have been given on the fourth day (being a day other than a Saturday or a Sunday) after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System, notices to Noteholders may be given by 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 on the date of delivery to such clearing system.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND AUTHORISATION

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one quarter, of the principal amount of the Notes for the time being outstanding.

The Trust Deed provides that a resolution passed (i) at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present and whether or not they voted at the meeting at which such resolution was passed.

14.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Notes, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven or to comply with any mandatory provision of law.

14.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon

individual Noteholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

14.4 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

15. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

15.1 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

15.2 Trustee Contracting with the Issuer

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to 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 Noteholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer is at liberty from time to time and in accordance with the Trust Deed without the consent of the Noteholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking pari passu in all respects (or in all respects save for their issue date and the first payment of interest thereon, the NDRC Post-issue Filing and the SAFE Registration) and so that the same shall be consolidated and form a single series with the outstanding notes or securities of any series (including the Notes) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or securities which are to form a single series with the outstanding notes or securities of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or securities of other series in certain circumstances where the Trustee so decides.

17. CURRENCY INDEMNITY

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

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing Law

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

18.2 Jurisdiction

- (a) The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes, claims, difference or controversy that may arise out of, in relation to or in connection with the Trust Deed or the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a **Dispute**) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Notes (the **Proceedings**) may be brought in such courts.
- (b) Each of the Issuer, Trustee and any Noteholder in relation to any Dispute, submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum to settle any Dispute.

18.3 Appointment of Process Agent

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed The Law Debenture Corporation (H.K.) Limited at Suite 1301, Ruttonjee House, Ruttonjee Centre 11 Duddell Street, Central, Hong Kong as its agent for service of process in Hong Kong in respect of any Proceedings.

If for any reason The Law Debenture Corporation (H.K.) Limited shall cease to be such agent for service of process, the Issuer shall forthwith appoint a new agent for service of process in Hong Kong and shall deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days of The Law Debenture Corporation (H.K.) Limited ceasing to be such agent for service of process. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. Nothing in these Conditions shall affect the right to serve process in any other manner permitted by law.

18.4 Waiver of Immunity

To the fullest extent permitted by law, the Issuer has irrevocably and unconditionally:

- (a) submitted to the jurisdiction of the Hong Kong courts in relation to any Dispute and has waived and agreed not to claim any sovereign or other immunity from the jurisdiction of the Hong Kong courts in relation to any Dispute (including to the extent that such immunity may be attributed to it), and agreed to ensure that no such claim is made on its behalf;
- (b) submitted to the jurisdiction of the Hong Kong courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the Hong Kong courts in relation to any Dispute and has waived and agreed not to claim any sovereign or other immunity from the jurisdiction of the Hong Kong courts or the courts of any other jurisdiction in relation to the recognition of any such judgment or court order and agreed to ensure that no claim is made on its behalf;
- (c) consented to the enforcement of any order or judgment made or given in connection with any Dispute and the giving of any relief in the Hong Kong courts and the courts of any other jurisdiction whether before or after final judgment including, without limitation:
 - (i) relief by way of interim or final injunction or order for specific performance or recovery of any property;
 - (ii) attachment of its assets; and
 - (iii) enforcement or execution against and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use); and
- (d) waived and agreed not to claim any sovereign or other immunity from the jurisdiction of the Hong Kong courts or the courts of any other jurisdiction in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agreed to ensure that no such claim is made on its behalf.

19. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Global Certificate contains the following provisions which apply to the Notes whilst they are represented by the Global Certificate, some of which modify the effect of the Terms and Conditions. Terms defined in the Terms and Conditions have the same meaning in paragraphs 1 to 7 below.

1. Accountholders

For so long as all of the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of a clearing system, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream (as the case may be) as the holder of a particular aggregate principal amount of such Notes (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "Noteholders" and references to "holding of Notes" and to "holder of Notes" shall be construed accordingly) for all purposes other than with respect to payments on such Notes, for which purpose the registered holder of the Global Certificate shall be deemed to be the holder of such principal amount of the Notes in accordance with and subject to the terms of the Global Certificate and the Trust Deed.

2. Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer or any of the Issuer's Subsidiaries will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the Global Certificate.

3. Payments

Payments of principal, premium (if any) and interest in respect of Notes represented by the Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of the Global Certificate to or to the order of any Paying Agent.

Each payment 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.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Common Depositary or its nominee, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

A record of each payment made will be endorsed on the appropriate schedule to the Global Certificate by or on behalf of the Registrar and shall be prima facie evidence that payment has been made.

4. Notices

For so long as all of the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream (as the case may be) for communication to the entitled accountholders. Any such notice shall be deemed validly given to the Noteholders on the day on which such notice is delivered to Euroclear and/or Clearstream (as the case may be) as aforesaid.

5. Exchange Events

The Global Certificate will be exchangeable (free of charge to the holder) in whole but not in part for Certificates only upon the occurrence of an Exchange Event. An Exchange Event means (a) an Event of Default has occurred and is continuing; (b) Euroclear or Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes evidenced by the Global Certificate in definitive form.

6. Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear and Clearstream and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream and their respective direct and indirect participants.

7. Noteholders' Redemption

For so long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, the Noteholder's redemption option in Condition 7.3 (Redemption upon Change of Control or No Registration Event) of the Terms and Conditions may be exercised by any holder of the Notes giving notice to any Paying Agent in accordance with the standard procedures of Euroclear or Clearstream (which may include notice being given on his instructions by Euroclear or Clearstream or any common depositary for them to any Paying Agent by electronic means) of the principal amount of the Notes in respect of which the option is exercised and presenting or procuring the presentation of the Global Certificate to such Paying Agent for endorsement within the time limits specified in the Terms and Conditions.

CAPITALISATION AND INDEBTEDNESS OF THE GROUP

The following table sets forth the Group's capitalisation and indebtedness as at 30 June 2021 and as adjusted to give effect to the issuance of the Notes offered hereby before deduction of any commissions and other estimated expenses. Investors should read this table in conjunction with the Reviewed Interim Financial Statements, which are included elsewhere in this Offering Circular.

	As at 30 June 2021								
	Actu	al	As adju	usted					
	(RMB'000)	(US\$'000)	(RMB'000)	(US\$'000)					
Current indebtedness									
Short-term loans	8,946,337	1,385,611	8,946,337	1,385,611					
Non-current liabilities due within one year	7,093,501	1,098,643	7,093,501	1,098,643					
Other current liabilities ⁽¹⁾	36,036,915	5,581,407	36,036,915	5,581,407					
Total current indebtedness	52,076,753	8,065,661	52,076,753	8,065,661					
Non-current indebtedness ⁽²⁾									
Long-term borrowings	22,898,009	3,546,450	22,898,009	3,546,450					
Bonds payable	25,245,130	3,909,973	25,245,130	3,909,973					
Lease liabilities	115,401	17,873	115,401	17,873					
Long-term payables ⁽³⁾	4,329,924	670,620	4,329,924	670,620					
Notes to be issued ⁽⁴⁾			2,905,470	450,000					
Total non-current indebtedness	52,588,464	8,144,916	55,493,934	8,594,916					
Total indebtedness ⁽⁵⁾	104,665,217	16,210,577	107,570,687	16,660,577					
Total owner's equity	34,950,783	5,413,187	34,950,783	5,413,187					
Total capitalisation ⁽⁶⁾	139,616,000	21,623,764	142,521,470	22,073,764					

Notes:

- (1) Other current liabilities exclude the non-interest-bearing portion.
- (2) Non-current indebtedness excludes the current portion of non-current borrowings.
- (3) Long-term payables exclude the non-interest-bearing portion.
- (4) Total amount of Notes to be issued before deducting commissions and other estimated expenses payable.
- (5) Total indebtedness equals total current indebtedness plus total non-current indebtedness.
- (6) Total capitalisation equals total indebtedness plus total owner's equity.
- (7) For convenience only, all translations from Renminbi into U.S. dollars are made at the rate of RMB6.4566 to U.S.\$1.00, based on the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Board on 30 June 2021.

Since 30 June 2021, the Group's total indebtedness has remained relatively stable, with a slight increase in total non-current indebtedness that was offset by a decrease in total current indebtedness. The increase in total non-current indebtedness was primarily due to more significant increases in bonds payable and long-term payables, as a result of the issuance of new domestic medium-term notes and super short-term bonds in the aggregate amount of RMB3,100 million, debt financing scheme in the aggregate amount of RMB1 billion through Beijing Financial Assets Exchange and increased financial leasing amount. The decrease in total current indebtedness was primarily due to the decrease in non-current liabilities due within one year, as the Group made partial repayments to long-term borrowings due within one year.

On 16 July 2021 and 13 August 2021, the Group issued domestic medium-term notes in the amounts of RMB800 million and RMB400 million, respectively. On 26 August 2021 and 30 August 2021, the Group issued domestic super short-term bonds in the amounts of RMB900 million and RMB1 billion, respectively.

Except as disclosed above, there has been no other material change in the consolidated capitalisation and indebtedness of the Issuer since 30 June 2021.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is an integrated investment and financial holding state-owned enterprise under the direct supervision of Wuhan SASAC. Since the establishment of the Group in 2005 and dating back to its predecessors, it has played a major role in the development and growth of the local and regional economies in the Central China region as the first homegrown licensed financial holding group in Hubei Province. In particular, as the sole platform of the Wuhan Municipal Government's efforts to establish a regional financial centre based in Wuhan and a state-owned enterprise directly held by Wuhan SASAC that is focused on industrial investment (especially in the areas of high technology and emerging industries) and comprehensive financial services, it has undertaken the mandate of spearheading Wuhan's investment in commerce, advanced manufacturing and other strategic industries and sectors. This has given the Group a first-mover advantage and enables it to enjoy, not only a generally supportive government sentiment toward its continuous expansion, but also certain favourable business policies promulgated by the Wuhan Municipal Government. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's total operating income was RMB37,454 million, RMB48,129 million, RMB38,983 million, RMB12,258 million and RMB23,247 million, respectively, and its net profit was RMB1,429 million, RMB1,739 million, RMB1,543 million, RMB759 million and RMB1,171 million for the same periods. With such strong financial performance, the Group has made sustained economic contributions to Wuhan.

The Group's businesses can be categorised into two main sectors, namely financial services sector and industrial sector, with the latter further divided into four principal sub-business lines: (i) commodity trading, (ii) integrated logistics services, (iii) real estate and (iv) industrial investment and operation, in addition to operation of certain other businesses. In terms of gross profit, the Group's financial services sector is currently the most significant contributor. In line with the Group's overall strategy of ensuring parallel development of its financial services and industrial sectors to achieve its objective of becoming a first-class integrated investment and financial conglomerate, it has expended substantial efforts into growing its financial services business, which remains a major focus for the Group. Expansion of the other four core businesses under industrial sector will also be carried out at a complementary pace, so as to ensure effective leverage of synergies created among its businesses for optimal results.

• Financial services sector. The Group has a diverse portfolio of financial services and products ranging from guarantees, entrusted loans, financial asset trading, financial leasing to trust services. In addition to holding equity investments in certain PRC commercial banks, including Hankou Bank (漢口銀行), Wuhan Rural Commercial Bank (武漢農村商業銀行) and Hubei Bank (湖北銀行), it has also established two funds: Wuhan Circular Economy Industrial Investment Fund (武漢循環經濟產業投資基金) and Hubei Integrated Circuit Industrial Investment Fund (湖北集成電路產業投資基金), and set up the first financial asset trading platform in the region, Wuhan Financial Assets Exchange (武漢金融資產交易所). For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB6,389 million, RMB6,653 million, RMB6,372 million, RMB3,159 million and RMB3,133 million, respectively, representing approximately 17.1 per cent., 13.8 per cent., 16.3 per cent., 25.8 per cent. and 13.5 per cent. of its total operating income for the same periods.

Industrial sector:

- Commodity trading. The Group's commodity trading business primarily comprises (i) the sale and trading of petrochemical and petroleum products¹ and (ii) the trading of other commodities including cold chain commodity, metal, grain and grain products. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB23,769 million, RMB34,651 million, RMB25,834 million, RMB6,363 million and RMB14,890 million, respectively, representing approximately 63.5 per cent., 72.0 per cent., 66.3 per cent., 51.9 per cent. and 64.0 per cent. of its total operating income for the same periods.
- Integrated logistics services. The Group's integrated logistics services business primarily consists of processing logistics, warehouse-led logistics and transportation-led logistics. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB3,852 million, RMB3,755 million, RMB4,779 million, RMB1,801 million and RMB2,376 million, respectively, representing approximately 10.3 per cent., 7.8 per cent., 12.3 per cent., 14.7 per cent. and 10.2 per cent. of its total operating income for the same periods.
- Real estate. The Group's real estate business primarily consists of property development activities conducted through its subsidiary, Wuhan Changsheng Industry Co., Ltd. (武漢昌盛 實業有限公司)("Wuhan Changsheng"). As at 30 June 2021, the Group had four completed properties with a total GFA of 97,697 square metres, and another two properties under development with a total GFA of 994,800 square metres. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB1,452 million, RMB2,001 million, RMB1,004 million, RMB612 million and RMB620 million, respectively, representing approximately 3.9 per cent., 4.2 per cent., 2.6 per cent., 5.0 per cent. and 2.7 per cent. of its total operating income for the same periods.
- Industrial investment and operation. The Group's industrial investment and operation business primarily consists of (i) biochemical drug production and (ii) investment holding. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB737 million, RMB534 million, RMB367 million, RMB119 million and RMB77 million, respectively, representing approximately 2.0 per cent., 1.1 per cent., 0.9 per cent., 1.0 per cent. and 0.3 per cent. of its total operating income for the same periods.
- Others. The Group also engages in other businesses, including (i) the leasing of new energy vehicles that are partially or fully powered by electricity and (ii) security escort services. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from other businesses was approximately RMB1,255 million, RMB535 million, RMB627 million, RMB204 million and RMB2,151 million, respectively, representing approximately 3.2 per cent., 1.1 per cent., 1.6 per cent., 1.6 per cent. and 9.3 per cent. of its total operating income for the same periods.

Since the beginning of 2021, the Group has gradually ceased its trading and sales of petrochemical products and it is currently expected that this sub-sector will no longer generate operating income in 2021 and going forward. See "- Industrial sector - Commodity Trading - Sale and Trading of Petrochemical Products" below.

The tables below set forth the Group's operating income and gross operating profit by business sector, each expressed as a percentage for the periods indicated:

Operating income

	For the year ended 31 December						For the six months ended 30 June			
	2018		2019		2020		2020		2021	
	Amount	%	Amount	%	Amount	<u></u> %	Amount	%	Amount	
	(RMB in millions, except for percentages)									
Financial services sector	6,389	17.1	6,653	13.8	6,372	16.3	3,159	25.8	3,133	13.5
Industrial sector	31,065	82.9	41,476	86.2	32,611	83.7	9,099	74.2	20,114	86.5
Commodity trading	23,769	63.5	34,651	72.0	25,834	66.3	6,363	51.9	14,890	64.0
Integrated logistics services	3,852	10.3	3,755	7.8	4,779	12.3	1,801	14.7	2,376	10.2
Real estate	1,452	3.9	2,001	4.2	1,004	2.6	612	5.0	620	2.7
Industrial investment and operation	737	2.0	534	1.1	367	0.9	119	1.0	77	0.3
Others	1,255	3.2	535	1.1	627	1.6	204	1.6	2,151	9.3
Operating income	37,454	100.0	48,129	100.0	38,983	100.0	12,258	100.0	23,247	100.0

Gross operating profit

	For the year ended 31 December						For the six months ended 30 June			
	2018		2019		2020		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
		(RMB in millions, except for percentages)								
Financial services sector	5,448	66.9	5,413	69.7	5,067	80.8	2,493	83.3	2,235	64.7
Industrial sector	2,696	33.1	2,355	30.3	1,201	19.2	499	16.7	1,220	35.3
Commodity trading	1,403	17.2	1,170	15.1	191	3.0	68	2.3	135	3.9
Integrated logistics services	348	4.3	373	4.8	332	5.3	148	4.9	215	6.2
Real estate	312	3.8	307	4.0	207	3.3	110	3.7	97	2.8
Industrial investment and operation	541	6.6	395	5.1	282	4.5	77	2.6	95	2.7
Others	92	1.2	110	1.3	189	3.1	96	3.2	678	19.6
Gross operating profit	8,144	100.0	7,768	100.0	6,268	100.0	2,992	100.0	3,455	100.0

COMPETITIVE STRENGTHS

The Group believes that the following strengths are key to its consistent growth and enable it to compete successfully within the industries in which it operates:

Sole platform for the Wuhan Municipal Government's vision to establish a regional financial centre

The Group is one of the largest state-owned enterprises under direct supervision of Wuhan SASAC with the greatest number of financial licences in Hubei Province, including those in relation to financial services such as financial leasing, trust services, credit risk management, asset management and financial assets trading services, as well as licences pertaining to the two commercial banks of which it is the largest shareholder and the two funds which it set up. Consequently, the Group serves as the sole platform for the Wuhan Municipal Government's objective of establishing a regional finance centre based in Wuhan. The continuous strategic development of the Group's financial services sector and the growth in the breadth of its subsidiaries' service offerings over the years demonstrate clearly its pivotal role in the government's overall plan.

Firstly, the Group is the largest shareholder of two major local commercial banks, Hankou Bank (漢口銀行) and Wuhan Rural Commercial Bank (武漢農村商業銀行) with director and supervisor appointment rights. It also manages two important non-banking financial institutions, Hubei Financial Leasing Co, Ltd. (湖北金融租賃股份有限公司), the largest financial leasing enterprise in Central China in terms of registered capital, and Guotong Trust, which has operations in more than 20 provincial cities and regions. Furthermore, the Group has commenced efforts to proactively create innovative financial services and products tailored to Wuhan and Hubei Province, such as a city-level public credit data services digital platform, a financing data platform for enterprises utilising smart technology and solutions, new energy automobile leasing services, sector focused financial leasing (such as medical and

health industry and vehicle financing), as well as the setting up of the first financial asset trading platform in the region, Wuhan Financial Assets Exchange (武漢金融資產交易所). For the year of 2020, the Group has provided approximately RMB160 billion worth of integrated financial services to support the regional economy. With a diverse financial services business chain and innovative financial products, the Group is ranked top three by overall strength among the 16 specific state-owned financial holding groups for sub-provincial cities in China. The Group believes, as the regional financial centre envisioned by the Wuhan Municipal Government takes form, it will remain the central dominant player and the government's supportive stance toward its business development will enable it to achieve its own objective of becoming a first-class financial holding conglomerate.

Prominent state-owned enterprise facilitating regional industrial upgrading and transformation

The Group has experienced rapid growth and significant changes in its business and operations since its early beginnings where it was formed from the consolidation of fragmented assets of nine different stateowned enterprises that lacked direction. The persistent implementation of its specific "Two-Wheel Drive" strategy concentrating on parallel development of its financial services and industrial sectors has enabled the Group to expand to its current scale which encompasses a plethora of services and products in industries that it believes to be encouraged and prioritised by the various levels of governments in the PRC. The financial position and performance over the three years ended 31 December 2018, 2019 and 2020 also illustrate the Group's successful growth story, such as the Group's total assets had increased from RMB115,551 million as at 31 December 2018 to RMB145,788 million as at 31 December 2020, representing an increase of 26.2 per cent.; the Group's total operating revenue had increased from RMB37,454 million for the year ended 31 December 2018 to RMB38,983 million for the year ended 31 December 2020, representing an increase of 4.1 per cent.; and the Group's net profits had increased from RMB1,429 million for the year ended 31 December 2018 to RMB1,543 million for the year ended 31 December 2020, representing an increase of 8.0 per cent. This clearly demonstrates the Group's prominence as one of the major state-owned enterprises directly held by Wuhan SASAC and its potential to continue expanding.

Another key role undertaken by the Group is that of promoting and facilitating the upgrade and transformation of the industry demographics of Wuhan and Hubei Province. In this regard, it has undertaken several major projects aimed at changing the city and regional landscape, including:

- Wuhan Yangtze Communications Industry Group Co., Ltd. (武漢長江通信產業集團股份有限公司)("Yangtze Communications") The Group became the second largest shareholder in Yangtze Communications, one of the key entities that is part of Wuhan Optics Valley(武漢光谷), the national optoelectronic data industrial base.
- Wuhan Selline Group Co., Ltd. (武漢商聯(集團)股份有限公司)("Wuhan Selline") The Group established this company in 2007 to engage in commercial retail and wholesale business activities, including franchising of department stores, supermarkets and home appliances stores, as well as logistics distribution. Wuhan Selline holds equity interests in six companies, including controlling interests in three PRC-listed companies, namely Wuhan Department Store Group Co., Ltd. (武漢武商集團股份有限公司)(stock code:000501.SZ), Zhongbai Holdings Group Co., Ltd. (中百控股集團股份有限公司)(stock code:000759.SZ) and Wuhan Zhongshang Commercial (Group) Co., Ltd. (武漢中商集團股份有限公司)(stock code:000785.SZ).
- Construction of expressways The Group is responsible for the construction of three major expressways, namely (i) Han Hong Expressway (漢洪高速公路), which is the north section of the Wuhan-Jianli Expressway (武監高速公路), (ii) Han Ying Expressway (漢英高速公路), which will connect Wuhan to other cities within the province, such as Huangzhou and Yingshan, and (iii) Qing Zheng Expressway (青鄭高速公路), which is one of Wuhan's seven fast outbound roads.

- Intercity Rail project The Group will develop and construct an intercity railway network anchored by Wuhan with six lines connecting to each of the cities of Xiaogan, Huangshi, Huanggang, Xianning, Xiantao and Tianmen. Its total length is expected to be 579 kilometres, making it the longest intercity railway in the country.
- Yangtze River Economic United Development (Group) Co., Ltd. (長江經濟聯合發展(集團)股份有限公司) The Group acted as the representative of the Wuhan Municipal Government and became one of the founding shareholders of this company that is focused on cross-region investment and development along the Yangtze River Basin and surrounding areas.

Through supporting SMEs and the real economy during the COVID-19 pandemic, the Group continued to promote and facilitate the upgrade and transformation of the industry demographics of Wuhan and Hubei Province. Since the outbreak of COVID-19, the Group has provided financial support to over 3,000 SMEs totaling approximately RMB8 billion in dollar value. For example, Wuhan Credit Risk increased its registered capital by RMB1.9 billion in 2020 to RMB10 billion so as to increase the funds available to support local enterprises and the development of SMEs. Other examples include Hubei Financial Leasing Co., Ltd., which voluntarily reduced 85 basis points in interest rate in the first half of 2020 compared to the same period in the prior year; Wuhan Financial Assets Exchange, which assisted with local financings that amounted to RMB50.1 billion in total; and Guotong Trust, which provided approximately RMB5 billion in relief funds for local private leading enterprises. Focusing on supporting SMEs' transition during the COVID-19 pandemic, the Group's financial leasing subsidiary completed investments of approximately RMB1.4 billion in SMEs.

The Group fulfilled in full its guiding role of a leading state-owned financial enterprise in Hubei Province, coordinated COVID-19 related prevention and control measures, and prioritised and carried out its social responsibility of ensuring risk protection. Leading the charge to stay resilient and fight against the COVID-19 pandemic, the Group launched a charity fund, which raised a total of approximately RMB30.9 million for medical staff in Hubei Province. The Group also made donations to Wuhan Benevolent General Association (武漢市慈善總會) in the aggregate amount of approximately RMB30 million, of which RMB2.5 million was donated to Fangcang Hospital. In recognition of its efforts, the Group was named "Advanced Group in Combating the COVID-19 in Hubei Province" in 2020 by the Hubei Provincial Government and the Hubei Provincial Committee of the Chinese Communist Party.

Well-positioned to capitalise on fast-paced local and regional growth trends as well as a favourable supportive government sentiment toward incubating core industrial projects

As a major integrated investment and financial holding enterprise directly held by Wuhan SASAC, the business landscape and overall economic environment of Wuhan is imperative and critical to the continued development of the Group. According to the 2020 Wuhan Statistical Yearbook, the financial industry accounted for approximately 9.2 per cent. of the city's gross domestic product for 2019, with Wuhan ranked first in the Central China region in terms of overall competitiveness as a financial centre and third among all sub-provincial cities in the PRC. According to the 2021 Hubei Province Finance Operation Report issued by the monetary policy analysis group of the People's Bank of China Wuhan Branch (中國人民銀行武漢分行), total deposits and borrowings in Hubei Province amounted to RMB6,700 billion and RMB6,000 billion as at 31 December 2020, representing an increase of 10.9 per cent. and 14.6 per cent., compared to as at 31 December 2019. All of the foregoing serves to demonstrate that there is healthy market appetite in Wuhan and the Hubei provincial region for financial services and products. As the industry develops and various ancillary supporting infrastructure are put in place, there is substantial potential for further growth and investment compared to earlier-developed cities in the PRC where saturation is identified as a growth challenge.

Against this backdrop, the Group is therefore well-positioned to capitalise on the opportunities presented as the local and regional economies continue to grow. Furthermore, the Wuhan Municipal Government has always adopted a general supportive stance toward the Group's strategic expansion, its business

operations and any undertaking of innovative projects, and the Group has benefitted from favourable business policies promulgated by the government. Such encouraging policies can be summarised as follows:

- In 2017, the Wuhan Municipal Government designated the Group as one of three main local financial enterprises responsible for promoting and facilitating the development and innovation of the financial industry. Adding to that, the Group had been mandated, on previous various occasions, with various tasks and responsibilities, such as establishing the first financial leasing company in Wuhan, setting up the first financial asset trading platform, building the largest credit guarantee company in Central China and expanding the scale and operations of two local commercial banks. In 2021, the Wuhan Municipal Government issued the "Implementation Plan for Establishing a Regional Financial Centre (2021-2025)(武漢市打造區域金融中心實施方案 (2021-2025年))", which states that Wuhan will provide all-around support, including in terms of industrial integration and technological financial institutions' development, to build a regional financial centre. Given the government's initiatives to develop Wuhan as such, the Group believes that the designation speaks volumes of the official recognition of its importance as an investment and financial services platform for the continued growth of the local and regional financial sectors.
- In September 2015, Hubei Banking Regulatory Commission ("HBRC") issued the "Guidance on Promoting the Healthy Development of the Financial Leasing Industry (關於促進金融租賃行業健康發展的指導意見)", which stated its support for financial leasing companies to utilise offshore financing channels and commence cross-border financial leasing services as well as expand its business avenues. This was further emphasised in HBRC's issuance of the "Opinion on Banking Reform and Innovation in China (Hubei) Pilot Free Trade Zone (關於做好中國(湖北)自由貿易試驗區銀行業改革創新工作的意見)" in July 2017, which indicated that progressive development of the financial leasing industry remains an important focus for the government and is a gratifying reaffirmation for the Group as it considers the expansion of its financial service offerings.
- The Group has received financial support from the Wuhan Municipal Government and Wuhan SASAC in various forms, including cash capital injections and government subsidies. Wuhan SASAC increased its cash capital contribution to the Group several times between 2006 and 2020, which amounted in aggregate to approximately RMB352 million. In 2018, 2019 and 2020, government subsidies received by the Group totaled RMB165 million, RMB112 million and RMB159 million, respectively.
- The national, provincial and municipal governments have provided strong support to the Group's major projects with a cumulative investment amount of approximately RMB7,894 million at 30 June 2021. At the regional level, the government had invested in aggregate RMB5 billion into the National Storage Base project (國家存儲器基地項目), which is led by the Hubei Integrated Circuit Industrial Investment Fund (湖北集成電路產業投資基金) established by the Group. With an estimated total investment of US\$30 billion, the National Storage Base project is anticipated to be the largest high-tech industrial national standalone project in Hubei Province with a target of producing and storing 300,000 chips per month. The Group has invested approximately RMB3 billion in this project in 2020 along, with the cumulative investment to date of approximately RMB9 billion. The Group also provides financing guarantee services for Hubei Integrated Circuit Industrial Investment Fund, which has helped to raise over RMB30 billion. As project development progresses, the various governments are expected to contribute more investment funds to finance the project.

Other projects the Group actively participates in that have received investments directly from different levels of government include: the National Modern Grain and Food Logistics (Wuhan) Base and National Rice Trading Centre project (國家現代糧食物流(武漢)基地暨國家稻米交易中心項目) into which the national, provincial and municipal governments have invested approximately RMB110 million; Wuhan 800,000 Ethylene project (武漢80萬噸乙烯項目) into

which the municipal government has invested approximately RMB550 million; the intercity railway project (城際鐵路項目) into which the municipal government has invested approximately RMB210 million; as well as the Dealing in Distressed Assets project (不良資產處置項目) into which the municipal government has invested approximately RMB2.0 billion, including RMB1.3 billion and RMB76 million in distressed assets held by Hankou Bank and other major state-owned banks, respectively.

- Wuhan SASAC, on multiple occasions, transferred equity interests in companies with good growth potential to the Group, including Wuhan Yangtze River Asset Management Co., Ltd. (武漢長江資產管理有限公司), Wuhan Yangluo Development Co., Ltd. (武漢陽邏開發有限公司), Yangtze River Economic United Development (Group) Co., Ltd. (長江經濟聯合發展(集團)股份有限公司), Wuhan Trade State-owned Holding Group Co., Ltd. (武漢商貿國有控股集團有限公司), Wuhan Rongwei Security Escort Services Co., Ltd. (武漢市融威押運保安服務有限公司), and Wuhan Electric Power Development Co., Ltd. (武漢市電力開發有限公司). The Wuhan Municipal Government also increased its investment in the Municipal Logistics Industry Development Special Fund from RMB20 million to RMB50 million since 2012, part of its plan to promote the development of the Group's logistic services business.
- NDRC had set certain specific targets with respect to the development of the high-technology industry in Wuhan with an aim of promoting and accelerating the progress of growing the high-tech sector in the city and Hubei Province. This bodes well for the Group's strategy of continuing expansion of its industrial sector businesses focused on high-tech and emerging industries, such as the leasing of new energy automobiles.

Prudent investment management and stringent risk management control

The Group has established an integrated and comprehensive risk management system to safeguard its investment decisions and mitigate the various risks that it is exposed to due to the breadth and scale of its operations. Adopting a prudent approach in its investment management, the Group ensures that its investments correspond with its business growth strategies, such as obtaining more financial licenses, promoting the development of emerging industries and accelerating the progress of major projects. In addition, potential targets have to be aligned with the development plans and industrial policies of the PRC, Hubei Province and Wuhan governments, and certain financial requirements have to be met, such as the target's profitability should not be lower than the industry average, total asset-to-total liabilities ratio should ideally not be greater than 65 per cent., and annualised rate of investment return should not be lower than 6 per cent. The Group will monitor its investments carefully based on the general principle that non-core business investments should not account for more than 10 per cent. of its total investments. Furthermore, the Group will ensure that it maintains internal funds representing at least 30 per cent. of the total amount of its investments.

Recognising that risk management is critical to its business, particularly its investment and financial activities, the Group has an independent and professional risk control system that encompasses its entire business process, including capital, liquidity and risk management. It established "Four Defence Lines", which controls risks by evaluating, monitoring and managing risks at different levels, namely the relevant operating subsidiaries, the general compliance and audit departments, the risk compliance department and finally, the risk audit department. Emphasis is placed on the primary responsibility of key personnel at each "Defence Line" to implement strict compliance with risk control policies of the Group and to perform stringent checks so as to discover discrepancies or deficiencies on a timely basis. In addition, the Group adheres to the concept of supervision on a consolidated level to enhance the effectiveness of its risk management measures. Senior management of each subsidiary are able to manage risks based on business development needs as well as risk tolerance and risk management capabilities. The Group regularly reviews and assesses its subsidiaries' risk management performance and encourages them to continuously enhance their risk management capabilities.

Strong and highly experienced management team fostering a positive corporate culture

The vision of the Issuer's board of directors has been critical to the continuous development and growth of the Group. Its directors, senior management and the majority of its core operations, strategic planning and investment management personnel have specialised in their respective fields for many years and accumulated substantial experience in the industries in which the Group operates. Their deep familiarity with the relevant markets, the evolution of technologies, the trends and developments relating to the Group's services and products, are essential to its long-term success. The Group's operations teams in all of its business sectors are led by professionals, many with financial or technical backgrounds and extensive experience in enterprise management.

The Group's active, open corporate culture and accelerated pace of growth have attracted plenty of talent and enriched its management and operation teams. For example, as at 30 June 2021, Guotong Trust had 336 employees with at least a master's degree and most of them also obtained professional qualifications, such as CPA, CFA and FRM; and Wuhan Financial Assets Exchange Co., Ltd. had 66 employees with professional financial qualifications in various areas, such as banking and securities. The Group believes this advantage will continue to attract new talent to it and will be significant for maintaining its operational superiority, expanding its market share and increasing its profitability in the future.

BUSINESS STRATEGIES

As the sole platform for the Wuhan Municipal Government's efforts to establish a regional financial centre based in Wuhan, the Group is committed to become a "Main Force in Regional Financial Centre Construction, Escort of Regional Real Economy, Stabilizer of Regional Financial Security, Trailblazer of Regional Financial Innovation and Role Model of Securitization for Regional State-owned Financial Institutions". To achieve such objective, the Group has established and will be guided by its "5S" operating principles, namely (1) Speciality – professionalism and focus, (2) Synergy – innovation and synergy, (3) Speed – flexibility and efficiency, (4) Standardisation – compliant operation and (5) Support – supporting industrials.

The Group plans to implement the following business strategies in order to further grow and develop into a first-tier integrated investment and financial services conglomerate:

Continue to pursue parallel integrated development of, and leverage synergies among, its financial services and industrial sector businesses

The Group will continue to focus on the synergistic parallel development of its financial services and industrial sector businesses to achieve long-term sustainable growth. With respect to its financial services business sector, the Group intends to not only enhance the scale of its current offerings but also further broaden the scope of its services through obtaining additional licences to carry out activities involving, among other things, insurance, futures, mutual funds and consumer finance, as well as contemplate the potential and feasibility of overseas mergers and acquisitions. The Group plans to set up Yangtze Life Insurance Co., Ltd., the establishment of which has garnered strong support among the provincial and municipal governments. The aim remains to offer customers one-stop financial services and products to meet their diverse needs, which the Group believes will elevate customer satisfaction, enhance its overall corporate image as a comprehensive financial services conglomerate and diversify and increase its earnings base. In addition, the Group will establish integrated management mechanisms covering research, product development, sales and marketing, data sharing and technology and talent recruitment to ensure sufficient operational support is available for its planned expansion. Concurrently, the Group will leverage the PRC government's promotion of the development of the Yangtze River Basin and surrounding areas to enhance its portfolio of industrial sector businesses and capitalise on opportunities presented by the Wuhan Municipal Government's objective of establishing Wuhan as an urban hub of national importance. The Group's planned efforts include continuous upgrading of its logistics and warehousing facilities, adding high-end supply chain logistics and trading services to its offerings and also building a trade finance services platform, all of which are part of its overall strategy to increase its core competitiveness as a first-tier provider of comprehensive commercial logistics services. Furthermore, the Group will proactively explore new business opportunities in emerging strategic industries, particularly involving new energy vehicles, energy conservation and environmental protection, integrated circuits, deep-processing resources and advanced technologies, and ensure it maintains an optimal business mix to maximise revenue and profitability.

Enhance business portfolio and optimise resource allocation

The Group intends to further enhance its business portfolio by making appropriate adjustments to its business mix in an effective and efficient manner, including the disposal of assets and investments that lack growth potential and competitive advantages and are not in line with the Group's long-term development plans. Concurrently, the Group will focus on optimising its asset structure through consolidation of businesses and operations that are now dispersed among various subsidiaries so as to achieve greater economies of scale and improve its overall competitiveness. Such consolidation will also enable the Group to better allocate resources and enhance operational efficiencies. In addition, the Group plans to gradually increase its pursuit of investments with good cash flow potential as part of its strategy to enhance internal cash resources and fortify its foundation for future expansion. Furthermore, the Group will actively seek to enhance its financing capabilities by diversifying its funding channels and exploring various financing tools, including equity listings, debt securities, fund investments and overseas financing, to support its business growth.

Further strengthen and promote sound management and enrich corporate governance

To drive sustainable growth and enhance corporate value, the Group is committed to establishing an organisation and systems that enable fast, efficient responses to a changing business environment. At the same time, its basic policy on corporate governance is to make every effort to thoroughly implement and strengthen compliance and improve the soundness and transparency of management. To strengthen its management foundation, the Group aims to continuously evaluate and improve relevant policies and mechanisms to ensure the maintenance of ethical business practices, effective auditing, information management, and risk management throughout all levels of its corporate structure. It will also focus on enhancing its internal controls to strengthen operations, mitigating operational risks and increasing the economic efficiency of the Group.

Continue to diversify financing channels and explore innovative financing methods

The Group plans to continue to leverage its competitive advantages and improve its capital structure through diverse fundraising channels to lower its financing cost and risk exposure yet remain poised to capture strategic market opportunities as they arise. In particular, the Group will contemplate alternative sources of funding that tap the domestic and international capital markets or involve innovative capital flows or asset realisation methods to diversify its capital resources and maintain a balanced debt structure consisting of short-term, medium-term and long-term credit facilities. To address interest rate risks, the Group may adjust its composition of onshore and offshore debt as well as its direct and indirect financing structures in accordance with credit policies and market changes. The objective is to prudently manage its financials while meeting investment and development needs to drive sustainable profitability.

RECENT DEVELOPMENT

Performance of the Group for the Nine Months Ended 30 September 2021

The Issuer has published its interim consolidated financial statements as at and for the nine months ended 30 September 2021 (the "Issuer's Interim Financial Statements") on the website of Shanghai Clearing House, but such financial statements have not been audited or reviewed by an independent auditor and may be subject to further adjustments if subject to an audit or a review. The Issuer's Interim Financial Statements should not be taken as an indication of the Group's business, financial condition or results of operation expected for these periods and potential investors should not rely on such interim financial information to evaluate the Group's financial condition and results of operation for these periods or the full year ending 31 December 2021. For the avoidance of doubt, the Issuer's Interim Financial Statements are not incorporated by reference herein and do not constitute part of this Offering Circular.

For the nine months ended 30 September 2021, the Group's total revenue increased as compared to the same period in 2020 primarily due to increased revenue generated from its commodity trading business. Increases in operating profit and net profit in respect of the Group's financial services business also led to overall increases in its total operating profit and total net profit for the nine months ended 30 September 2021 as compared to the same period in 2020. Correspondingly, and given the continued expansion of the Group's business scale, total operating cost also recorded an increase, particularly in taxes and surcharges, selling expenses, research and development expenses and finance expenses. However, the Group's non-operating income decreased for the nine months ended 30 September 2021 as compared to the same period in 2020 mainly due to a decrease in government grants to Wuhan Trade State-owned Holding Group Co., Ltd.

As at 30 September 2021, the Group's total assets increased as compared to the balance as at 31 December 2020, primarily due to increases in accounts receivable, prepayments, inventories, debt investments, long-term receivables, fixed assets, investments in other equity instruments, and other non-current financial assets, all of which are in line with the enlarged scale of the Group's business operations. The Group's total liabilities increased as compared to the balance as at 31 December 2020 was primarily attributable to an increase in total non-current liabilities as the Group incurred more long-term loans and bonds payable to meet new financing needs brought about by its business growth, which was partially offset by the decrease in current portion of non-current liabilities as the Group made partial repayments of certain existing long-term borrowings.

None of the Joint Lead Managers, the Trustee, the Agents, or any of their respective directors, affiliates, officers, advisers, employees or agents makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to the Issuer's Interim Financial Statements.

See also "Risk Factors – Risks Relating to the Group in General – The Issuer has published, and may continue to publish, periodical financial information in the PRC pursuant to applicable PRC regulations and the rules of relevant stock exchanges. Investors should be cautious and should not place any reliance on the financial information other than that disclosed in this Offering Circular."

Proposed Equity Acquisition of Minsheng Securities

On 19 July 2021, the Group entered into an agreement of intent ("AOI") with Oceanwide Holding Co., Ltd. (泛海控股股份有限公司)(SSE stock code: 000046) ("Oceanwide") in respect of the proposed acquisition of no less than a 20.0 per cent. equity interest in Minsheng Securities Co. (民生證券股份有限公司)("Minsheng Securities"), a subsidiary of Oceanwide. Pursuant to the AOI, the final equity interest, purchase consideration and terms and conditions of the proposed acquisition were subject to further negotiations following the conduct of requisite due diligence and will be set forth in a definitive share transfer agreement. On 17 September 2021, after completing the due diligence work, the Group decided to not to proceed with the proposed acquisition and terminated the AOI. None of the Group, Oceanwide or Minsheng Securities has any liability from such termination, and any costs and expenses incurred in relation to the proposed acquisition will be borne by the respective incurring party. The advance payment was fully refunded to the Group. The termination of the proposed acquisition does not and will not have any adverse impact on the Group's business, financial condition, results of operations or prospects.

HISTORY AND DEVELOPMENT

The Issuer was established in August 2005 under the name of "Wuhan Economic Development Investment (Group) Co. Ltd. (武漢經濟發展投資(集團)有限公司)" as a state-owned enterprise with limited liability. In 2015, the Issuer, with the approval of the Wuhan Municipal Government, effected a change of name to "Wuhan Financial Holding (Group) Co., Ltd. (武漢金融控股(集團)有限公司)". The Issuer is 100 per cent. owned by Wuhan SASAC. As at the date of this Offering Circular, the registered capital of the Issuer is RMB10,000 million, of which RMB7.6 billion has been paid in full.

The following table lists certain important milestones and events throughout the Group's corporate history:

Year Event(s) In July 2005, Wuhan Municipal Party Committee and the Wuhan 2005 Municipal Government decided to found Wuhan Economic Development Investment (Group) Co. Ltd.(武漢經濟發展投資(集團)有限公司), the Group's predecessor. In August 2005, Wuhan Economic Development Investment (Group) Co. Ltd.(武漢經濟發展投資(集團)有限公司) was established with an initial registered capital of RMB4,000 million paid by Wuhan SASAC. It was registered in Wuhan Jiang'an District. In December 2005, Wuhan Economic Development Investment (Group) Co. Ltd. (武漢經濟發展投資(集團)有限公司) entered into a tripartite agreement on disposal of distressed assets with Hubei Provincial Investment Co., Ltd. (湖北省投資公司) and China Development Bank Hubei Division (國家開發銀行湖北分行) to acquire RMB14,000 million worth of policy-based distressed assets held by China Great Wall Asset Management Co., Ltd. (中國長城資產管理股份有限公司), China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司), China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), and China Huarong Asset Management Co., Ltd. (中國華融資產管理股份 有限公司). In June 2006, Wuhan Municipal Party Committee and the Wuhan 2006 Municipal Government established Wuhan Yangtze River Asset Management Co., Ltd. (武漢長江資產管理有限公司). Subsequently, Wuhan Yangtze River Asset Management Co., Ltd. (武漢長江資產管理 有限公司) acquired RMB3,142 million of distressed assets held by Wuhan Municipal Commercial Bank (武漢市商業銀行). The acquisition formed an important part of the restructuring of Wuhan Municipal Commercial Bank. 2007 In April 2007, according to provincial and municipal general plans concerning the construction of Wuhan Chemical New City(武漢化工新 城) which was earmarked to be a key industrial zone for investment and provision of suitable production sites and ancillary services, the Group was designated as the main construction entity. In May 2007, Wuhan Credit Risk Management Co., Ltd.(武漢信用風險 管理有限公司) completed its restructuring with a registered capital of RMB400 million. In May 2007, the Group and Wuhan State-owned Assets Management Limited Company(武漢市國有資產經營有限公司)jointly established Wuhan Selline Group Co., Ltd.(武漢商聯(集團)股份有限公司). The Group invested RMB514 million in cash to acquire 150 million shares of,

Ltd.

representing a 30.0 per cent. equity interest in, Wuhan Selline Group Co.,

Year Event(s)

In July 2007, the National Modern Grain and Food Logistics Base project and the National Rice Trading Centre project (國家現代糧食物流基地暨國家稻米交易中心專案) successfully launched. The Group conducted indepth research and undertook an important role in constructing this grain logistics park.

In August 2007, Wuhan Chemical New City Construction and Development Investment Co., Ltd. (武漢化工新城建設開發投資有限公司) was established with an initial registered capital of RMB1,250 million.

In December 2007, the Group invested RMB580 million into Wuhan Municipal Commercial Bank (武漢市商業銀行)(which subsequently changed its name to Hankou Bank (漢口銀行)). The Group was the largest shareholder of Wuhan Municipal Commercial Bank with a 20 per cent. equity interest.

In June 2008, the Group, representing the Wuhan Municipal Government, invested RMB300 million in the establishment of Hubei United Development and Investment Co., Ltd. (湖北省聯合發展投資有限公司) and became its second largest shareholder.

In October 2008, at the Central Cities along the Yangtze River Economic Coordination Meeting (長江沿岸中心城市經濟協調會), the Group entered into a strategic cooperation agreement with Yangtze River Economic United Development (Group) Co., Ltd. (長江經濟聯合發展(集團)股份有限公司) to collaborate on project investments, technical cooperation, personnel exchange, financing, and information sharing.

In February 2009, the Group completed the subscription of 50 million private placement shares of Y.U.D. Yangtze River Investment Industry Co., Ltd. (長發集團長江投資實業股份有限公司). The Group then held a 16.3 per cent. equity interest in Y.U.D. Yangtze River Investment Industry Co., Ltd. and became its second largest shareholder.

In September 2009, Wuhan Rural Commercial Bank (武漢農村商業銀行) was established. The Group invested RMB501 million into Wuhan Rural Commercial Bank through Wuhan Development Investment Co., Ltd. (武漢開發投資有限公司) and Wuhan Credit Risk Management Co., Ltd. (武漢信用風險管理有限公司). The Group held a 12.0 per cent. equity interest in Wuhan Rural Commercial Bank and became one of its two largest shareholders. Wuhan Yangtze River Asset Management Co., Ltd. (武漢長江資產管理有限公司) acquired RMB632 million of distressed assets held by Wuhan Rural Commercial Bank.

In May 2010, the NDRC officially approved the Group's establishment of the Wuhan Circular Economy Industrial Investment Fund (武漢循環經濟產業投資基金).

In November 2010, Wuhan Fangzheng East Asia Trust Co., Ltd. (武漢方正東亞信託公司) was established with an initial registered capital of RMB1,200 million. The Group was one of its shareholders.

2008

2009

2010

Year Event(s) In December 2010, the Group became the largest shareholder of Wuhan Yangtze Communications Industry Group Co., Ltd. (武漢長江通信產業集 團股份有限公司). In September 2011, in accordance with the requirements under the 2011 "Resource Saving and Environmentally Friendly Society Reform Pilot Zone" promoted by the Hubei Provincial Government and the Wuhan Municipal Government, the Group coordinated with various parties to successfully raise capital amounting to RMB2,100 million for the investment in the Wuhan Intercity Railway project. In November 2011, with the Issuer as the primary sponsor, Wuhan Financial Assets Exchange(武漢金融資產交易所)was established and listed on Guanggu Capital Markets(光谷資本市場)with an initial registered capital of RMB120 million. Wuhan Financial Assets Exchange (武漢金融資產交易所) primarily serves small and medium enterprises, providing financial institutions access to financing resources and facilitating information exchange. 2012 In September 2012, according to the agreement between the Wuhan Municipal Government and China Eastern Airlines Co., Ltd. (中國東方航 空), the Group invested RMB300 million toward the capital increase undertaken by China Eastern Airlines (Wuhan) Co., Ltd. (中國東方航空 武漢有限公司), and acquired a 17.1 per cent. equity interest. In December 2012, Wuhan SASAC decided to transfer a 51.0 per cent. equity interest in Wuhan Trade State-owned Holding Group Co., Ltd. (武 漢商貿國有控股集團有限公司) to the Group. The transfer was completed in 2013 and led to a major restructuring of the Group. 2013 In July 2013, the Group established Wuhan Yangtze Financial Services Co., Ltd. (武漢長江金融服務有限公司) with an initial registered capital of RMB300 million. Wuhan Yangtze Financial Services Co., Ltd. was the financial service institution with the greatest amount of registered capital that focused on notes brokerage services. In August 2013, as approved by the municipal government, the Group acquired multiple companies held by Wuhan Public Security Bureau(武 漢市公安局), including Wuhan Rongwei Security Escort Services Co., Ltd.(武漢市融威押運保安服務有限公司). After the acquisition, the Group was able to expand its business portfolio into financial property services and financial logistics services. In May 2013, the Group issued RMB500 million of domestic unsecured medium-term notes with a maturity of five years. In September 2014, the Group was listed in "Hubei Top 100 Enterprises" 2014 for the first time and ranked 51st. In October 2014, the Group issued RMB400 million of domestic unsecured medium-term notes with a maturity of five years.

Year Event(s)

In November 2014, with the approval of the Hubei Provincial Government, the Group began to prepare the establishment of Hubei Integrated Circuit Industrial Investment Fund Co., Ltd. (湖北集成電路產業投資基金股份有限公司).

Wuhan Rongwei Security Escort Services Co., Ltd. was consolidated into the Group's financials in 2014.

2015

In June 2015, the Group, Wuhan Rural Commercial Bank (武漢農村商業銀行), and Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司) jointly established Hubei Financial Leasing Co., Ltd. (湖北金融租賃股份有限公司) with an initial registered capital of RMB3,000 million. Hubei Financial Leasing Co., Ltd. was registered and headquartered in Wuhan, Hubei Province. As at the date of this Offering Circular, the Group holds a 49.0 per cent. equity interest in Hubei Financial Leasing Co., Ltd.

In August 2015, in response to the provincial and municipal governments' call for development of a low-carbon economy, the Group and Wuhan Public Transport Group Co., Ltd. (武漢市公共交通集團有限責任公司) jointly invested in and established Wuhan Financial Holding New Energy Car Rental Management Co., Ltd. (武漢金控新能源汽車租賃經營有限公司) with an initial registered capital of RMB200 million. The newly established company's business included new energy car sales, rental, and financial leasing.

In August 2015, the Issuer changed its name to "Wuhan Financial Holdings (Group) Co., Ltd."(武漢金融控股集團有限公司).

In November 2015, under the guidance of the provincial and municipal governments, the Group and Shenzhen Jinao Holding Co., Ltd. (深圳金澳控股股份有限公司) jointly established Wuhan Financial Holding Energy Group Co., Ltd. (武漢金控能源投資集團有限公司), which specialises in investment in oil, chemical, and alternative energy. Wuhan Financial Holding Energy Group Co., Ltd. was established with an initial registered capital of RMB1,500 million and the Group then owned a 33.3 per cent. equity interest.

2016

In March 2016, the National Storage Base project (國家存儲器基地項目) launched with total investment of U.S.\$24,000 million. As the entity that initiated the set-up of the Hubei Integrated Circuit Industrial Investment Fund Co., Ltd. (湖北集成電路產業投資基金股份有限公司), the Group was responsible for investment analysis, planning and preparation and fundraising for the National Storage Base project.

In December 2016, the Group completed the acquisition of shares of Wuhan Fangzheng East Asia Trust Co., Ltd. (武漢方正東亞信託公司) (which subsequently changed its name to Guotong Trust Co., Ltd. (國通信託有限責任公司)) from Peking University Founder Group and increased its equity interest to 67.5 per cent., thereby becoming the entity's largest shareholder.

Year Event(s) In December 2016, United Credit Ratings Co., Ltd. (聯合資信評估有限公 司) issued a report raising the Group's long-term rating to "AAA". The Group was the fifth enterprise in Hubei Province to achieve an "AAA" rating. In March 2016, the Group issued RMB1,200 million of domestic unsecured corporate bonds with a maturity of five years. It further issued domestic unsecured corporate bonds in the aggregate principal amount of RMB800 million and RMB300 million, respectively, in April 2016. 2017 In September 2017, the Group was listed for the first time and ranked 356th in the "Top 500 China Enterprises" published by China Enterprise Federation (中國企業聯合會) and China Enterprise Directors Association (中國企業家協會). In August 2017, the Group issued RMB600 million of domestic unsecured medium-term notes with a maturity of five years. In September 2017, the Group issued RMB1,000 million of domestic unsecured medium-term notes and RMB460 million of short-term financing bonds. 2018 In March 2018, the Group issued RMB1,500 million of domestic super short-term financing bonds with a maturity of 180 days and RMB500 million of domestic unsecured corporate bonds with a maturity of three In August 2018, the Group issued RMB600 million of domestic unsecured medium-term notes with a maturity of three years and another RMB1,000 million of perpetual bonds. In November 2018, the Group issued RMB1,500 million of domestic super short-term financing bonds with a maturity of 270 days. In December 2018, the Group completed its debut offshore offering of 5.8 per cent. notes due 2021 in an aggregate principal amount of U.S.\$142 million. The Group ceased its petroleum and petrochemical production activities 2019 following its acquisition of a 33.0 per cent. equity interest in Jinao Guoyuan and the deconsolidation of Wuhan Financial Holding Energy. In March 2019, the Group issued RMB2,100 million of perpetual bonds. In September 2019, the Group issued a tap issuance of its debut offshore offering of U.S.\$142 million 5.8 per cent. notes due 2021 issued in December 2018, in an aggregate principal amount of U.S.\$300 million. 2020 In January 2020, the Group issued RMB300 million of domestic unsecured medium-term notes with a maturity of three years.

Year Event(s)

In March 2020, the Group issued RMB1,000 million of domestic unsecured corporate bonds with a maturity of ten years and Wuhan Trade State-owned Holding Group Co., Ltd. issued RMB500 million of domestic unsecured medium-term notes with a maturity of three years.

In June 2020, the Group issued RMB500 million of renewable corporate bonds and Wuhan Development Investment Co., Ltd. issued RMB4,000 million of bonds guaranteed by the Group through private placement with a maturity of five years. In October 2020, the Group issued RMB1,000 million of financial bonds guaranteed by the Group with a maturity of three years.

In September 2020, the Group commenced the construction of the Yangtze River International Shipping Finance Port Grain Emergency Support Base and the Cold Chain Industrial Park.

In November 2020, the Group issued RMB1,000 million domestic unsecured medium-term notes with a maturity of five years.

In November 2020, the Group increased its registered capital from RMB4 billion to RMB10 billion with the approval from Wuhan SASAC.

In December 2020, the Group issued RMB1,500 million domestic super short-term financing bonds with a maturity of 270 days.

Yangtze Asset Operation and Management Co., Ltd. (長江資產經營管理有限公司) was consolidated into the Group's financials in 2020.

In February 2021, the Group issued RMB1,000 million of domestic unsecured medium-term notes with a maturity of three years.

In March 2021, the Group issued RMB1,000 million of domestic unsecured corporate bonds with a maturity of six years and Hubei Financial Leasing Co., Ltd issued RMB1,800 million of financial bonds guaranteed by the Group with a maturity of three years.

In April 2021, the Group issued RMB900 million of domestic super short-term financing bonds with a maturity of 265 days.

AWARDS AND RECOGNITIONS

2021

The Group has received various honours and awards in recognition of, among others, its overall strengths and reputation in the industries in which it operates.

The table below sets forth the Group's major honours and awards received as at 30 June 2021:

Year	Award(s)									
2010	The Issuer was named among "2010 Wuhan Top 100 Enterprises (2010年									
	武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan									
	Enterprise Directors Association.									

Year Award(s) The Issuer was named among "2010 Leading Enterprises in Economic Development of Hubei Province (2010年湖北省經濟建設領軍企業)" by Hubei Research Association of Civil Construction of Large Enterprises. Hankou Bank was named among "Top 500 World Banks(全球銀行 500 強)" by The Banker. The Issuer was awarded "2011 Gold Crane Award of Outstanding 2011 Enterprise of Hubei Province (2011年度湖北省優秀企業(金鶴獎)榮譽稱 號)" by Hubei Enterprise Confederation and Hubei Enterprise Directors Association. The Issuer was named among "2011 Wuhan Top 100 Enterprises (2011年 武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association. 2012 The Issuer was named among "2012 Wuhan Top 100 Enterprises (2012年 武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association. The Issuer was awarded "2012 Most Influential Brands in Hubei Province (2012年湖北省最具影響力品牌)" by Hubei Research Association of Civil Construction of Large Enterprises. Hankou Bank was named among "Top 10 Brands for China Small and Medium Size Banks (2012年度中國十大品牌中小銀行)" at the 9th Annual Conference of China Finance Experts. 2013 The Issuer was named among "2013 Wuhan Top 100 Enterprises (2013年 武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association. Wuhan Financial Assets Exchange Co., Ltd. was awarded "2013 Gold Crane Award of Outstanding Enterprise of Hubei Province (2013年度湖北 省優秀企業(金鶴獎)榮譽稱號)" by Hubei Enterprise Confederation and Hubei Enterprise Directors Association. Guotong Trust was named "China's Most Promising Trustee (中國最具成 長性信托公司)" at the 7th "China's Excellent Trust Companies" selection held by Securities Times. 2014 The Issuer was ranked 31st among "2014 Wuhan Top 100 Enterprises (2014年武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association. The Issuer was ranked 51st among "2014 Hubei Province Top 100 Enterprises (2014年湖北企業百強)" by Hubei Enterprise Confederation, Hubei Enterprise Directors Association and Hubei Daily Media Group Co., Ltd. Wuhan Rural Commercial Bank was rated as the "Benchmark Bank for National Rural Commercial Banks(全國農商行標杆銀行)" by the

predecessor of CBRC.

Year Award(s) 2015 The Issuer was awarded "2015 Gold Crane Award of Outstanding Enterprise of Hubei Province (2015年度湖北省優秀企業(金鶴獎)榮譽稱 號)" by Hubei Enterprise Confederation and Hubei Enterprise Directors Association. The Issuer was awarded "2015 Annual Special Award for Financial Support to Wuhan Economic and Social Development (2015金融支持武 漢經濟社會發展年度特別獎)" by the Wuhan Municipal Government. The Issuer was ranked 33rd among "2015 Hubei Province Top 100 Enterprises (2015年湖北企業百強)" by Hubei Enterprise Confederation, Hubei Enterprise Directors Association and Hubei Daily Media Group Co., Ltd. Hubei Financial Leasing Co, Ltd. was awarded "Award for Financial Contribution to Wuhan Economic and Social Development (金融支援武漢 經濟社會發展貢獻單位)" by the Wuhan Municipal Government. The Issuer was awarded "2016 Annual Special Award for Financial Support to Wuhan Economic and Social Development (2016金融支持武 漢經濟社會發展年度特別獎)" by the Wuhan Municipal Government. The Issuer was ranked 26th among "2016 Hubei Province Top 100 Enterprises (2016年湖北企業百強)" by Hubei Enterprise Confederation and Hubei Enterprise Directors Association. Hubei Financial Leasing Co, Ltd. was awarded "Award for Financial Contribution to Wuhan Economic and Social Development (金融支援武漢 經濟社會發展貢獻單位)" by the Wuhan Municipal Government. 2017 The Issuer was ranked 356th among "2017 China Top 500 Enterprises (2017年中國企業500強)" by China Enterprise Confederation and China Enterprise Directors Association. This marked the first time it was named to the list. The Issuer was ranked 136th among "2017 China Top 500 Service Industry Enterprises (2017年中國服務業企業500強)" by China Enterprise Confederation and China Enterprise Directors Association. The Issuer was ranked 13th among "2017 Hubei Province Top 100 Enterprises of Hubei Province(2017年湖北企業百強)" by Hubei Enterprise Confederation and Hubei Enterprise Directors Association. Hubei Financial Leasing Co, Ltd. was awarded "Award for Outstanding Financial Contribution to Hubei Economic and Social Development (金融 支援湖北經濟發展突出貢獻單位)" by the Hubei Provincial Government. 2018 The Issuer was ranked 363rd among "2018 China Top 500 Enterprises (2018年中國企業500強)" by China Enterprise Confederation and China Enterprise Directors Association.

Year Award(s)

> The Issuer was ranked 132nd among "2018 China Top 500 Service Industry Enterprises (2018年中國服務業企業500強)" by China Enterprise Confederation and China Enterprise Directors Association.

> The Issuer was ranked 13th among "2018 Hubei Province Top 100 Enterprises (2018年湖北企業百強)" by Hubei Enterprise Confederation and China Enterprise Directors Association.

> The Issuer was awarded "Wuhan Outstanding Enterprise of 2015 to 2017 (2015-2017年度武漢優秀企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association.

> The Issuer was ranked 11th among "2018 Wuhan Top 100 Enterprises (2018年武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association.

> Hubei Financial Leasing Co, Ltd. was awarded "Award for Outstanding Financial Contribution to Hubei Economic and Social Development (金融 支援湖北經濟發展突出貢獻單位)" by the Hubei Provincial Government.

> Guotong Trust was named "Most Regionally Influential Trustee 2018 (2018年度區域影響力信託公司)" at the 11th "China's Excellent Trust Companies" selection held by Securities Times.

The Issuer was ranked 450th among "2019 China Top 500 Enterprises (2019年中國企業500強)" by China Enterprise Confederation and China Enterprise Directors Association.

> The Issuer was ranked 20th among "2019 Hubei Province Top 100 Enterprises (2019年湖北企業百強)" by Hubei Enterprise Confederation and China Enterprise Directors Association.

> The Issuer was awarded "Hubei Outstanding Enterprise (湖北優秀企業)" by Hubei Enterprise Confederation and Hubei Enterprise Directors Association.

> Guotong Trust Co., Ltd. was awarded "Trust Company of the Year (年度 金牛集合信託公司獎)" by China Securities Journal.

> Hubei Financial Leasing Co., Ltd. was awarded "Best Real Economy Service Leasing Company of the Year(年度最佳服務實體經濟租賃公 司)" in the "China Financial Institution Golden Dragon Award Ceremony", an event jointly organised by Financial Times and China Social Science Financial Research Institute.

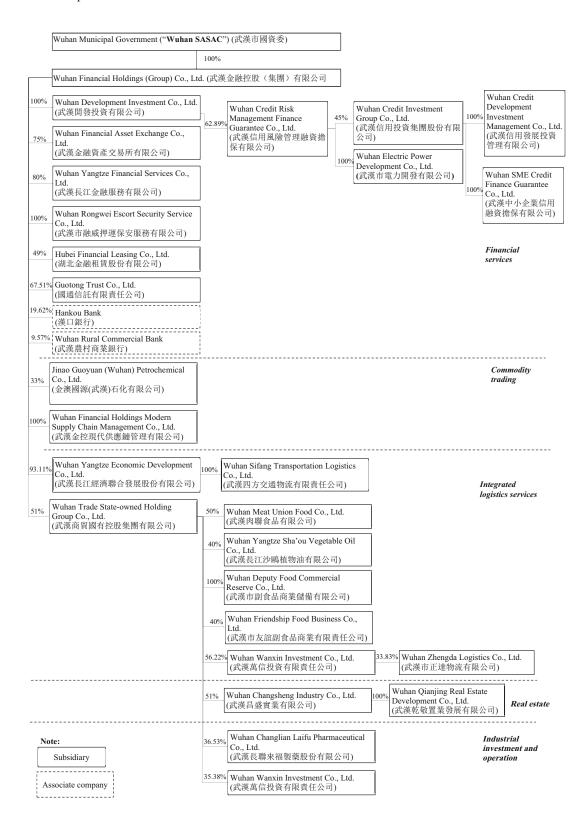
> Hubei Financial Leasing Co, Ltd. was awarded "Outstanding Enterprise of Hubei Province Award (Gold Crane Award) (湖北省優秀企業(金鶴 獎)" by Hubei Enterprise Confederation and Hubei Enterprise Directors Association.

> Guotong Trust was named "Excellent Trust Company 2019 (2019年度卓 越信託公司)" at the 11th Golden Tripod Award selection held by National Business Daily.

Year	Award(s)								
2020	The Issuer was ranked 387th among "2020 China Top 500 Enterprises (2020年中國企業500強)" by China Enterprise Confederation and China Enterprise Directors Association, the fourth consecutive year it had been named to the list.								
	The Issuer was ranked 145th among "2020 China Top 500 Service Industry Enterprises (2020年中國服務業企業500強)" by China Enterprise Confederation and China Enterprise Directors Association.								
	The Issuer was ranked 11th among "2020 Wuhan Top 100 Enterprises (2020年武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association.								
	Hankou Bank was named among "Top 10 Urban Commercial Banks (2020年度十佳城市商業銀行)" jointly by Financial Times and CASS Institute of Finance and Banking.								
2021	The Issuer was ranked 14th among "2021 Wuhan Top 100 Enterprises (2021年武漢百強企業)" by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association.								

CORPORATE STRUCTURE

The chart below illustrates the simplified corporate structure of the Issuer, its material subsidiaries and associate companies as at 30 June 2021:



BUSINESS

The Group's businesses are operated in two main sectors, namely financial services sector and industrial sector, with the latter further divided into four principal sub-business lines: (i) commodity trading, (ii) integrated logistics services, (iii) real estate and (iv) industrial investment and operation. It also conducts certain other businesses, including the leasing of new energy vehicles that are partially or fully powered by electricity and security escort services.

The tables below set forth the Group's total operating income and gross operating profit by business sector, each expressed as a percentage for the periods indicated:

Total operating income

	For the year ended 31 December					For the six months ended 30 June				
	2018		2019		2020		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	<u></u> %
	(RMB in millions, except for percentages)									
Financial services sector	6,389	17.1	6,653	13.8	6,372	16.3	3,159	25.8	3,133	13.5
Industrial sector	31,065	82.9	41,476	86.2	32,611	83.7	9,099	74.2	20,114	86.5
Commodity trading	23,769	63.5	34,651	72.0	25,834	66.3	6,363	51.9	14,890	64.0
Integrated logistics services	3,852	10.3	3,755	7.8	4,779	12.3	1,801	14.7	2,376	10.2
Real estate	1,452	3.9	2,001	4.2	1,004	2.6	612	5.0	620	2.7
Industrial investment and operation	737	2.0	534	1.1	367	0.9	119	1.0	77	0.3
Others	1,255	3.2	535	1.1	627	1.6	204	1.6	2,151	9.3
Total operating income	37,454	100.0	48,129	100.0	38,983	100.0	12,258	100.0	23,247	100.0

Gross operating profit

	For the year ended 31 December						For the six months ended 30 June				
	2018		2019		2020		2020		2021		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
		(RMB in millions, except for percentages)									
Financial services sector	5,548	66.9	5,413	69.7	5,067	80.8	2,493	83.3	2,235	64.7	
Industrial sector	2,696	33.1	2,355	30.3	1,201	19.2	499	16.7	1,220	35.3	
Commodity trading	1,403	17.2	1,170	15.1	191	3.0	68	2.3	135	3.9	
Integrated logistics services	348	4.3	373	4.8	332	5.3	148	4.9	215	6.2	
Real estate	312	3.8	307	4.0	207	3.3	110	3.7	97	2.8	
Industrial investment and operation	541	6.6	395	5.1	282	4.5	77	2.6	95	2.7	
Others	92	1.2	110	1.3	189	3.1	96	3.2	678	19.6	
Gross operating profit	8,144	100.0	7,768	100.0	6,268	100.0	2,992	100.0	3,455	100.0	

Financial Services Sector

Overview

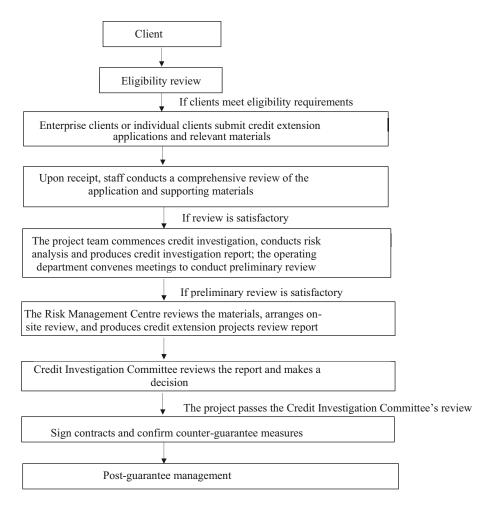
The Group has a diverse portfolio of financial services and products ranging from guarantees, entrusted loans, financial asset trading, financial leasing to trust services. In addition to holding equity investments in certain PRC commercial banks, including Hankou Bank (漢口銀行) and Wuhan Rural Commercial Bank (武漢農村商業銀行), it has also established two funds: Wuhan Circular Economy Industrial Investment Fund (武漢循環經濟產業投資基金) Hubei Integrated Circuit Industrial Investment Fund (湖北集成電路產業投資基金), and set up the first financial asset trading platform in the region, Wuhan Financial Assets Exchange (武漢金融資產交易所). For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sector was approximately RMB6,389 million, RMB6,653 million, RMB6,372 million, RMB3,159 million and RMB3,133 million, respectively, representing approximately 17.1 per cent., 13.8 per cent., 16.3 per cent., 25.8 per cent. and 13.5 per cent. of its total operating income for the same periods.

As one of the major state-owned financial holding enterprises in Hubei Province toward which the Wuhan Municipal Government has adopted a supportive sentiment in terms of its strategic development, the Group has expended significant efforts into growing its financial services sector to the current scale with stable revenue and profitability. Going forward, this sector will continue to be a major business focus for the Group.

Guarantees

The Group provides financing guarantee services to small and medium enterprises and individuals in connection with, among other things, bank loans, trade financing, construction bonds, litigation property preservation and personal loans. The main operating subsidiaries for this sub-sector are Wuhan Credit Risk Management Finance Guarantee Co., Ltd. (武漢信用風險管理融資擔保有限公司), the largest credit guarantee company in the Central China region, Wuhan Credit Finance Guarantee (Group) Co., Ltd. (武漢信用融資擔保(集團)股份有限公司), Wuhan SME Credit Finance Guarantee Co., Ltd. (武漢中小企業信用融資擔保有限公司) and Wuhan Entrepreneurship Finance Guarantee Co., Ltd. (武漢市創業融資擔保有限責任公司).

The general work process for this sub-sector is as illustrated below:



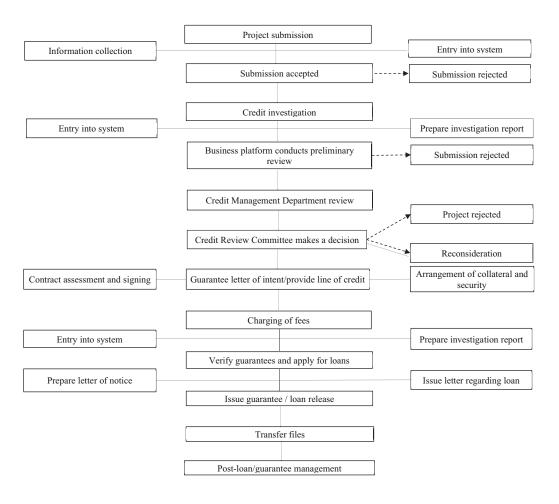
As at 30 June 2021, the Group's total outstanding balance of guarantees with respect to its credit guarantee business amounted to RMB20,438 million, of which approximately 65.7 per cent. of the contracts were due within 12 months, approximately 0.5 per cent. of the contracts were due within 12 to 24 months and the remaining 33.8 per cent. of the contracts due after 24 months. Approximately 98.9 per cent. of the Group's customer base for this sub-sector is enterprises, the majority of which are engaged in the service industries and construction industries, with the remaining 1.1 per cent. being individual customers.

From 2018 to the date of this Offering Circular, the Group had made cumulative payments amounting to RMB237 million for its credit guarantee customers who were unable to repay their borrowings on time. However, the Group recovered RMB21 million in total for the same period, due to repayments by customers for whom the Group had paid out amounts prior to 2018 but such amounts had remained outstanding and owing. As at 30 June 2021, the pay-out rate was 3.7 per cent. However, through measures that require customers to provide collateral and asset pledges, the Group expects to eventually recover in full all amounts paid out.

Entrusted Loans

The Group provides entrusted loan services to primarily enterprise customers mostly within the wholesale and retail, manufacturing, leasing and business services, software and data technology services and real estate industries. In accordance with relevant laws and regulations, the entrustee bank is responsible for making the loan and supervising the borrower's fulfilment of its repayment and other obligations. Customers are required to provide the Group with various collateral as security, including personal guarantees, asset pledges, inventory charges and equity assignments. As at 30 June 2021, the Group had 163 outstanding loans with the aggregate amount of RMB17 billion. From 2018 to 30 June 2021, the Group had granted 182 entrusted loans with a total amount of RMB24 billion. From 2018 to 30 June 2021, there were eight entrusted loans overdue with a total amount of RMB267 million. There was no actual loss incurred due to a series of remedial measures the Group adopts, primarily including litigation, freezing injunctions and enforcement of judgments by courts.

Recognising that due diligence and customers' credit assessment are key to the success of this business, the Group has formulated the following work process to ensure proper risk management:



Historically, funds required for this sub-sector were sourced from cash generated by the Group's own operations, shareholder financial support and proceeds from the Group's investment funds. Following the issuance of "Administrative Measures for Entrusted Loans of Commercial Banks 《商業銀行委託貸款管理辦法》" in January 2018, the Group gradually recovered its entrusted loans that sourced funds from proceeds of its own investment funds established. Currently, fund sources for the Group's outstanding entrusted loans do not include cash from the establishment of investment funds.

Financial Asset Trading

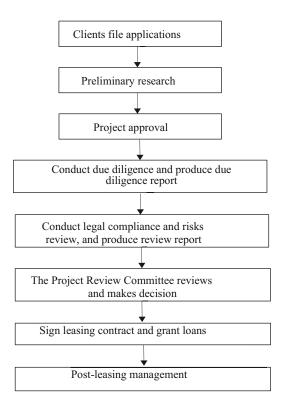
The Group conducts this sub-business through its subsidiary, Wuhan Financial Assets Exchange Co., Ltd. (武漢金融資產交易所有限公司)("Wuhan Financial Assets Exchange"), which is the sole public trading platform focused on financial assets in Hubei Province. The establishment of this platform was a landmark project and an important milestone in respect of the Wuhan Municipal Government's vision to develop Wuhan into a regional financial centre. The Hubei Provincial Government Finance Office is the supervisory authority of Wuhan Financial Assets Exchange. Other than trading of traditional and innovative financial assets and products, information consulting services are also available for exchange members.

Financial Leasing

The Group commenced this sub-business in 2015 with the establishment of its subsidiary, Hubei Financial Leasing Co, Ltd. (湖北金融租賃股份有限公司)("Hubei Financial Leasing"). As at the date of this Offering Circular, the Group, with a 49.0 per cent. equity interest in Hubei Financial Leasing, is its largest shareholder and has control of its operations and business decisions. The other two shareholders of Hubei Financial Leasing are Wuhan Rural Commercial Bank, an associated company of the Group in which it holds a 36.0 per cent. equity interest, and Jointown Pharmaceutical Group. Through Hubei Financial Leasing, the Group approved projects undertaken by primarily small and medium-sized domestic companies mostly within the infrastructure construction, medical and elderly care, education and tourism, environmental protection and green industries, the total of which amounted to RMB39 billion for the six months ended 30 June 2021. The Group's customer coverage is primarily concentrated in Hubei Province but extends to approximately 17 provincial cities across the country.

A comprehensive risk management system has been put in place: the board of directors are responsible for formulating risk management policies and development strategies, the senior management is in charge of execution and the actual approval of projects, and the supervisory committee has overall oversight of the entire process.

The flowchart below illustrates the general work process of the Group's financial leasing activities:



Trust Services

The Group provides trust services, including fund trusts, chattel trusts, real estate investment trusts and negotiable securities trusts, through its subsidiary, Guotong Trust (formerly known as Fangzheng East Asia Trust Co., Ltd.), of which it became the controlling shareholder with a 67.5 per cent. equity interest following its acquisition of Peking University Founder Group's 57.5 per cent. equity interest in Guotong Trust in November 2016.

Guotong Trust has set up three levels of dedicated risk management personnel: the risk management and audit committee under the board of directors, the trust business inspection committee under the senior management team, and the risk management, legal and audit departments. The overall risk management system adopted by the Group covers five key areas from identification, assessment, implementation, supervision to prediction, and the Group believes that its efforts in this regard has achieved evident results and is assured of the effectiveness of its risk management controls.

Others

The Group also engages in notes brokerage and finance related security escort services businesses. The Group conducts its notes brokerage business through its subsidiary, Wuhan Yangtze Financial Services Co., Ltd. (武漢長江金融服務有限公司)("Yangtze Finance"), to provide brokerage services in connection with commercial papers and notes to small and medium-sized enterprises. Yangtze Finance has set up offices in, among other cities, Beijing, Shanghai, Guangzhou, Chengdu and Zhengzhou, to better serve its customers. The Group provides security services to banks and other non-banking financial institutions through its subsidiary, Wuhan Rongwei Security Escort Services Co., Ltd. (武漢市融威押運保安服務有限公司). In addition to gaining a new derivative business, the Group also capitalised on this opportunity to expand into financial property services and financial logistics services. Furthermore, the development of this sub-business demonstrates the advantages of the Group's logistics capabilities and the synergies created can be leveraged for future growth.

Industrial Sector - Commodity Trading

Overview

The Group's commodity trading business primarily comprises (i) the sale and trading of petrochemical and petroleum products² and (ii) the trading of other commodities including cold chain commodities, metals, grain and grain products. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sub-sector was approximately RMB23,769 million, RMB34,651 million, RMB25,834 million, RMB6,363 million and RMB14,890 million, respectively, representing approximately 63.5 per cent., 72.0 per cent., 66.3 per cent. 51.9 per cent. and 64.0 per cent. of its total operating income for the same periods.

Sale and Trading of Petrochemical Products

The Group commenced its production, sale and trading of petrochemical products business in November 2015 through its then indirect non wholly-owned subsidiary, Jinao (Hubei) Science & Technology Chemical Industry Co., Ltd. (金澳科技(湖北)化工有限公司)("Jinao Technology"). Jinao Technology is a wholly-owned subsidiary of Wuhan Financial Holding Energy Group Co., Ltd. (武漢金控能源集團有限公司)("Wuhan Financial Holding Energy"), one of the Group's then holding subsidiaries. In June 2019, the Group completed its acquisition of a 33.0 per cent. equity interest in Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd. (金澳國源(武漢)石化有限公司)("Jinao Guoyuan"), a company that specialises in the sale and trading of petroleum products, and deconsolidated Wuhan Financial Holding Energy after ceasing to be its controlling shareholder as at 1 July 2019. As a result of the foregoing, the Group ceased its production activities, which were previously conducted through Jinao Technology, and instead concentrated on its sales and trading operations, which were migrated to Jinao Guoyuan that became the Group's consolidated subsidiary. The Group had wanted to avert risks relating to safety and environmental protection concerns in respect of its petroleum and petrochemical production activities, but yet maintain the continuance of its business operations and revenue flow for this sub-sector.

Prior to the reorganisation of its petrochemical business, the Group also generated revenue from sales of the petrochemical products it manufactures through the refining and processing of crude oil to largescale state-owned enterprises, such as China Petroleum & Chemical Corporation (中國石油化工股份有限公司)("Sinopec"), China National Offshore Oil Corporation (中國海洋石油總公司)("CNOOC"), PetroChina Company Limited ("PetroChina"), China National Aviation Fuel Group Limited (中國航空油料集團有限公司) and National Petroleum Reserve Centre (國家石油儲備中心), and privately-owned gas stations.

The Group's major petrochemical products are gasoline, diesel and fuel oil. Prior to the deconsolidation of Wuhan Financial Holding Energy, other petrochemical products sold by the Group also included liquefied gas, petroleum coke, liquid paraffin and polypropylene. Petroleum products that the Group trades are mainly raw materials of the petrochemical products it sells as well as refined oil products.

As part of its overall business expansion strategy and due to stringent regulations and general environmental concerns regarding the petrochemical industry, since the beginning of 2021, the Group has gradually ceased its trading and sales of petrochemical products. This sub-sector did not generate any operating income for the first half of 2021 and it is currently expected that it will no longer generate operating income for the Group going forward.

Since the beginning of 2021, the Group has gradually ceased its trading and sales of petrochemical products and it is currently expected that this sub-sector will no longer generate operating income in 2021 and going forward. See "- Sale and Trading of Petrochemical Products" below.

Trading of Other Commodities

The Group conducts its commodity trading business primarily through its wholly-owned subsidiary, Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd. (武漢金控現代供應鏈管理有限公司)("Wuhan Financial Holdings"). Wuhan Financial Holdings was established in July 2018 with a registered capital of RMB1,000 million. It primarily engages in the supply chain management, bulk trading, cold chain commodity trading, metal trading and grain and grain products trading.

The Group's business model for commodity trading involves determining and sourcing required product volumes from upstream suppliers and then on-selling to downstream customers. Revenue is generated from the difference between procurement cost and selling price, and profitability relies on, to a large extent, the fast turnaround of products and the bulk volume traded. The Group's business model for trading of other commodities includes:

- Bulk trading Mainly comprises the trading of cold chain commodities and bulk commodities.
 Bulk trading customers are mostly state-owned enterprises, sizeable listed companies and large-scale enterprises located in the provinces of Henan, Hebei, Hunan, Hubei, Jiangsu and Zhejiang.
 Such sales are conducted on a cash-on-delivery basis in accordance with the relevant sale and purchase contracts.
- Cold chain commodity trading: Mainly comprises the trading of raw meat products, as well as the operation and management of frozen food markets. The Group engages in cold-chain procurement and distribution services for both upstream and downstream customers, including major frozen meat ports and meat trading and distribution centres. Customers usually pay a 20 to 30 per cent. deposit based on the type of commodity traded with the remaining balance settled within an agreed timeframe.
- Metal trading Mainly comprises the trading and distribution of aluminium ingots, aluminium
 bars and zinc ingots. The Group's six major suppliers are located in Xinjiang Province, Shanghai,
 Yunnan Province and Henan Province. Its downstream customers consist of large-sized trading
 companies and aluminium product manufacturers mostly in the provinces of Hubei, Jiangsu,
 Guangdong and Henan.
- Grain and grain products trading Mainly comprises the trading of domestic and imported grain. For domestic grain trading, the Group engages in the acquisition, drying, storage, transportation and distribution of corn, wheat and rice. The Group maintains storage facilities situated in the Northeast China region and also within the provinces of Henan, Anhui and Hubei. Customers are primarily concentrated in the provinces of Guangdong, Fujian and Jiangsu. For imported grain and grain products trading, the Group is involved in the procurement and distribution of a variety of grain and grain products, such as soybean, barley, corn, wheat, soybean meal, soybean oil and animal feed. Customers include grain processors, traders and breeding enterprises.

Integrating resources from the National Modern Grain and Food Logistics Base project and the Central China Trade Service Zone in Yangluo area, the Group is currently undertaking the Yangtze River International Shipping Financial Port Project (長江國際航運金融港項目). Through this project, the Group intends to establish a multi-functional commodity warehousing and logistics hub. Leveraging the advantages of established commodity supply chains, the Group is aiming to build strategic business partnerships with upstream suppliers and more than 120 small and medium-sized downstream enterprise customers to achieve greater efficiencies and to promote the development of the hub.

Industrial sector – Integrated Logistics Services

Overview

The Group's integrated logistics services business primarily consists of processing logistics, warehouse-led logistics and transportation-led logistics. The Group conducts its commodity trading business primarily through its wholly-owned subsidiaries Wuhan Trade State-owned Holding Group Co., Ltd. (武漢西資國有控股集團有限公司) and Wuhan Sifang Transportation Logistics Co., Ltd. (武漢四方交通物流有限責任公司). For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sub-sector was approximately RMB3,852 million, RMB3,755 million, RMB4,779 million, RMB1,801 million and RMB2,376 million, respectively, representing approximately 10.3 per cent., 7.8 per cent., 12.3 per cent., 14.7 per cent. and 10.2 per cent. of its total operating income for the same periods.

Processing Logistics

The Group's service offering in this category primarily involves product processing, including segmentation, packaging, measuring, testing and labelling, followed by the provision of an array of logistics services for the delivery of the processed products to customers. The Group conducts its processing logistics business primarily through Wuhan Trade State-owned Holding Group Co., Ltd. (武漢南貿國有控股集團有限公司)'s subsidiaries, Wuhan Meat Union Food Co., Ltd. (武漢肉聯食品有限公司) and Wuhan Yangtze Shaou Vegetable Oil Co., Ltd. (武漢長江沙鷗植物油有限公司)("Yangtze Shaou"). The two main types of processing logistics services that the Group provides are: (i) cold chain logistics and (ii) oil storage and transportation.

- Cold chain logistics Mainly comprises processing, cold storage and distribution of raw meat products, as well as the operation and management of frozen food markets. The Group has a total of approximately 400,000 tonnes of cold storage capacity in Wuhan, Ezhou and Chongqing, and a 120,000 square metre processing facility in Wuhan. Major products handled by its facilities include frozen poultry and food by-products, frozen pork, lamb and beef, frozen seafood, instant frozen products and dry seasoning products. Stringent quality control is implemented through advanced manufacturing and testing equipment imported from overseas, and the strict adherence to quality control measures covering all aspects from procurement, production to sales, so as to ensure specifications of food products are in compliance with national standards.
- Oil storage and transportation Mainly comprises oil trading, processing and distribution, and provision of data services. The Group's main operating subsidiary for this business, Yangtze Shaou, has the largest edible oil storage, transportation and distribution base in Central China; it is the largest enterprise in Hubei Province entrusted with storage of central edible oil reserve and provincial edible oil reserve and also the first "AAAA" grade logistics company focused on edible oil. Yangtze Shaou's production facility in Wuhan is situated in the vicinity of the Yangtze River with good water transportation connectivity, an exclusive freight pier and a special railway line that is connected to the Beijing-Guangzhou rail line. It has a canned edible oil storage capacity of more than 100,000 tonnes and manufactures a "Shaou (沙鷗)" brand of vegetable oil that is well regarded in Hubei Province and sold in supermarkets and supplied to schools, hotels and food and beverage companies.

Warehouse-Led Logistics

The Group conducts its warehouse-led logistics service primarily through its wholly-owned subsidiary, Wuhan Sifang Transportation Logistics Co., Ltd. (武漢四方交通物流有限責任公司). The Group's service offering in this category primarily involves the provision of warehousing services, including storage, management and forwarding of cargo. The three main types of warehouse-led logistics services that the Group provides are: (i) cargo base storage, (ii) emergency reserve supply, and (iii) trading and transportation of food by-products.

- Cargo base storage Mainly comprises a comprehensive package of storage services provided by
 the Group's Guoxuling Logistics Base located in the Southwest Industrial Park within Wuhan
 Development Zone in the vicinity of Wuhan Third Ring Line. This logistics base has a planned
 annual cargo throughput of one million tonnes with five large-scale warehouses and one large-scale
 parking lot.
- Emergency reserve supply Mainly entails maintaining the reserve supply of certain major food products, such as pork, halal beef and mutton and sugar, as designated by the Wuhan Municipal Government. In the event of any significant price fluctuations with respect to such food products, the Wuhan Municipal Government will call upon the Group's reserve to ensure uninterrupted supply, thereby allowing the government to regulate the relevant markets. The Group receives subsidies from the Wuhan Municipal Government to offset its costs incurred in connection with such service, including loan interest, transport fees, storage rental fees, testing and inspection fees, management fees and cold storage fees.
- Trading and transportation of food by-products Mainly comprises wholesale management of food by-products for domestic and international companies, including services such as storage, loading, transportation, logistics processing and data management.

Transportation-Led Logistics

The Group's service offering in this category primarily involves a combination of various cargo freight logistics services, such as loading and off-loading, storage and data management. The main type of transportation-led logistics services that the Group provides is transportation of automobiles and finished vehicles.

Transportation of automobiles and finished vehicles mainly comprises transportation, storage, loading and off-loading and distribution of automobiles and finished vehicles. The Group has a logistics distribution centre that provides services such as loading and off-loading and distribution of finished vehicles and an indoor warehouse with a storage capacity of approximately 100,000 square metres, both situated in downtown Wuhan. To enhance the value of its storage services and improve profitability, the Group also commenced the provision of supervision and management services for third parties' pledged inventory.

Processing Logistics

The Group's business model for its processing logistics services involves sourcing the required raw components or products from upstream suppliers, which are then processed by the Group using various methods and techniques, followed by on-selling and delivery of the processed products to downstream customers. Revenue is generated from the difference between procurement cost and selling price. If storage services are provided, the Group will charge appropriate storage fees. Settlement with suppliers is usually on a cash on delivery basis, whereas customers make payments in accordance with relevant purchase agreements. The Group's supplier base for its processing logistics operations is highly concentrated. For example, the top five major suppliers accounted for nearly 100 per cent. of the Group's total procurement volume for this business in 2020. Despite having entered into long-term agreements with such major suppliers, there remains a risk that any adverse development involving such suppliers will in turn have a negative impact on the Group's operations. See "Risk Factors – Any failure by the Group to maintain relationships with its major suppliers would have an adverse effect on the Group's business".

Cold chain logistics customers are mainly medium and large domestic food companies, such as the COFCO Group, Mengniu Group, Wu Fang Zhai and Henan Doyoo Food. Oil storage and transportation customers include both upstream and downstream companies, mostly concentrated in the provinces of Hubei and Jiangsu as well as the city of Chongqing, such as Sinograin Zhenjiang, Hubei Cereals, Hubei Oil and Grain Import and Export Group, Hubei Jin Runfeng Trading Co., Chongqing Dingsheng Jinye Trading, Zhangjiagang Free Trade Zone and Nantong Mianyue Trading.

Warehouse-Led Logistics

Since this sub-sector primarily consists of storage services, the Group generates revenue through charging customers storage fees. The additional related management, distribution and transportation services that the Group provides further enables it to increase its pricing as appropriate to maximise revenue prospects. Settlement with customers is usually on a monthly or quarterly basis as per the relevant storage rental agreements. With respect to the maintenance of the emergency reserve supply on behalf of the Wuhan Municipal Government, the finance department will carry out an annual inspection of the average inventory volume and determine fiscal subsidies to be granted to the Group for the year.

Cargo base storage customers are generally companies which utilise the facilities at the Group's Guoxuling Logistics Base, including large domestic and international conglomerates such as Gome Electrical Appliances, Dongfeng Motor, DHL, China Resources Double Crane Pharmaceutical and Master Kang Food. Customers of the Group's trading and transportation of food by-products business are primarily medium and large supermarkets and shopping malls.

Transportation-Led Logistics

The Group charges services fees to customers for providing transportation, storage, loading and offloading and distribution services. Such rental and storage payments are settled with customers on a quarterly basis.

The customer base of the Group's transportation of automobiles and other finished vehicles are primarily large-scale car companies and vehicle logistics companies, including large domestic and international conglomerates such as FAW-Volkswagen, FAW-Toyota, Wuhan Dongben and Anji Logistics.

Industrial sector - Real Estate

Overview

The Group's real estate business primarily consists of property development activities conducted through its subsidiary, Wuhan Changsheng Industry Co., Ltd. (武漢昌盛實業有限公司)("Wuhan Changsheng"). As at 30 June 2021, the Group had four completed properties with a total GFA of 97,697 square metres, and another two properties under development with a total GFA of 994,800 square metres. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sub-sector was approximately RMB1,452 million, RMB2,001 million, RMB1,004 million, RMB612 million and RMB620 million, respectively, representing approximately 3.9 per cent., 4.2 per cent., 2.6 per cent., 5.0 per cent. and 2.7 per cent. of its total operating income for the same periods.

The following tables set forth certain details of the Group's completed properties and properties under development as at 30 June 2021:

	Type	Total GFA (sq.m.)	Construction commencement	Project Status
Completed properties Dingxiu Crystal City (頂琇晶城)	Residential	45,000	July 2005	Completed with all units sold
Dingxiu Square (頂琇廣場)	Residential and commercial	23,000	February 2007	Completed with all units sold
Dongting Court (洞庭苑)	Residential	3,900	January 2012	Completed with all units sold
Dingxiu Northwest Lake (I) Project (頂琇西北湖(I)項目)	Residential	25,797	October 2012	Completed and currently on sale

	Туре	Total GFA (sq.m.)	commencement	Project Status
Properties under development				
Tangjiadun City Village Reconstruction Project (唐家墩城中村改造項目): - K1 phase - K7 phase	Residential and commercial	K1-70,000 K7-560,000	April 2012	First phase (K1 land parcel) was completed in July 2015 and the units sold had been delivered to purchasers, with only seven shop units and 150 underground parking space left unsold. Development of second phase
				(K7 land parcel) will be divided into four zones and carried out in sequence.
Dingxiu Northwest Lake Project (頂琇西北湖項目)	Residential and commercial	364,800	Second quarter of 2015	Under construction with certain units sold

As at the date of this Offering Circular, the Group has obtained land use right certificates for all of its property developments.

Projects under development

Tangjiadun City Village Reconstruction Project

This project is situated in Jianghan District, Wuhan and consists of the reconstruction and development of two land parcels: K1 with a site area of 19.1 mu and K7 with a site area of 105 mu. K1 had been developed into a residential complex with on-site shop units and underground parking, with a total GFA of 70,000 square metres. All residential units had been sold and delivered with only seven shop units and 150 underground parking space left unsold as at 30 June 2021. The Group will continue to develop K7, also to be a residential complex with a total GFA of 560,000 square metres, in four phases. Such development is expected to complete in 2022. As at 30 June 2021, total planned investment by the Group in this project amounted to RMB6,300 million.

Dingxiu Northwest Lake Project

This project is situated in Jianghan District, Wuhan and in the central residential area of Hankou Area. With a total GFA of 364,800 square metres, it consists of three land parcels: parcel A to be developed into commercial facilities with a site area of 11,080 square metres, parcel B to be developed into commercial facilities with a site area of 13,680 square metres and parcel C to be developed into residential properties with a site area of 16,507 square metres. The Group started the pre-sale of properties of the project in May 2018 and the development is expected to be completed in 2022. As at 30 June 2021, the total planned investment by the Group in this project amounted to RMB5,700 million.

Industrial sector - Industrial Investment and Operation

Overview

The Group's industrial investment and operation business primarily consists of (i) biochemical drug production, and (ii) investment holding. For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from this business sub-sector was approximately RMB737 million, RMB534 million, RMB367 million, RMB119 million and RMB77 million, respectively, representing approximately 2.0 per cent., 1.1 per cent., 0.9 per cent., 1.0 per cent. and 0.3 per cent. of its total operating income for the same periods.

Biochemical Drug Production

The Group manufactures biochemical pharmaceuticals through its subsidiary, Wuhan Changlian Laifu Pharmaceutical Co., Ltd. (武漢長聯來福製藥股份有限公司)("Changlian Laifu"). Changlian Laifu's predecessor, Wuhan Biochemical Pharmaceutical Factory, was established in the 1950s and was one of

China's earliest enterprises to engage in such drug production. Following the introduction of overseas strategic investors, Changlian Laifu became the only Sino-German pharmaceutical enterprise in Hubei Province benefitting from a combination of foreign advanced production research and technologies and traditional Chinese manufacturing methods. It was listed on China's National Equities and Exchange Quotations in 2015 (stock code: 834239).

Investment Holding

The Group conducts its investment holding activities through its subsidiary, Wuhan Wanxin Investment Co., Ltd. (武漢萬信投資有限責任公司)("Wanxin Investment"). Wanxin Investment has invested in a wide range of businesses, including entities providing commercial trading, logistics and distribution, food processing, real estate, pharmaceuticals, financial and property services. It does not participate in the invested companies' daily operations but will continuously evaluate their performance and development to determine whether there is potential to increase its investment for consolidation into the Group's core business sectors.

The table below sets forth certain details of the material companies in which the Group has invested as at 30 June 2021:

	Paid-in Capital	Investment	Equity Interest	Voting Right
		(RMB '000, except	for percentages)	
Wuhan Zhengda Logistics Co., Ltd.				
(武漢市正達物流有限公司)	54,204	18,335	33.8%	33.8%
Wuhan Eyu Economic and Trade Co., Ltd.				
(武漢鄂譽經貿有限責任公司)	2,000	4,000	100.0%	100.0%
Wuhan Zhengkai Logistics Co., Ltd.				
(武漢市正凱物流有限公司)	60,000	8,525	14.2%	14.2%
Wuhan Changxin Equity Investment Fund Co.,				
Ltd. (武漢昌信股權投資基金有限公司)	80,000	40,500	50.6%	50.6%
Wuhan Zhonghongye Commerce and Trade Co.,				
Ltd. (武漢中鴻業商貿實業有限公司)	10,000	10,000	100.0%	100.0%
Wuhan Xinlangtai Commercial Development Co.,				
Ltd. (武漢信朗泰商貿發展有限公司)	9,000	91,375	100.0%	100.0%
Wuhan Zhongzhi Hanyang Real Estate Development				
Co., Ltd. (武漢中至瀚陽房地產開發有限公司)	40,000	16,000	40.0%	40.0%

Other than acquiring equity interests, the Group also invests through the setting up of funds that will undertake investments in suitable industries and businesses. In 2010, Wanxin Investment established Jiupai Fund (九派基金) with Hubei High-tech Industry Investment Co., Ltd. As at 30 June 2021, Jiupai Fund had invested in 33 projects with a total investment amount of RMB436 million.

Industrial sector - Others

The Group also engages in other businesses, primarily (i) the leasing of new energy vehicles that are partially or fully powered by electricity, such as battery-powered electric vehicles and plug-in hybrids and (ii) security escort services.

For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021, the Group's operating income from its other businesses was approximately RMB1,255 million, RMB535 million, RMB627 million, RMB204 million and RMB2,151 million, respectively, representing approximately 3.2 per cent., 1.1 per cent., 1.6 per cent., 1.6 per cent. and 9.3 per cent. of its total operating income for the same periods.

INTELLECTUAL PROPERTY

The Group relies on a combination of copyright, trademark and patent registrations to protect its intellectual property rights.

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

COMPETITION

Competition in the PRC financial services industry has increasingly intensified in recent years, not only due to the entry of a significant number of domestic companies, mostly small in scale, trying to tap the potential of this market, but also because the spectrum of offerings made available to customers has broadened rapidly. This has led to some local governments' realization that the financial services industry may need more stringent regulation to safeguard the interest of consumers and as a result, through extensive annual assessment that they conduct, weaker and less well-managed financial service providers have been squeezed out. The Group believes that its financial strength and the effectiveness of its risk management control will be differentiating factors, and based on the Group's competitive strengths, it will be able to maintain its competitiveness and market share.

The Group's commodity trading business primarily focuses on the trading and sale of petrochemical products and as such, developments in the PRC petrochemical-related industries have a direct impact on its results of operation and prospects for this sector. Petroleum refining and sales of oil products in the domestic market are dominated by PetroChina and Sinopec, and as these two conglomerates have an exclusive distribution right granted by the PRC government, sales of refined oil products produced by local refineries have to be handed over to PetroChina and Sinopec's relevant wholesale subsidiaries. Import controls on crude oil imposed by the PRC government, which limit import rights to five domestic players, namely PetroChina, Sinopec, CNOOC, Sinochem and Zhuhai Zhenrong, also make it difficult for local refineries to meet their crude oil procurement needs. However, given that the Group concentrates on the sale and trading of petroleum and petrochemical products and no longer engages in production and oil refining activities, it believes that the foregoing factors impact its reorganised business operations much less significantly than before. As such, the Group is confident that it can continue to compete well in the regional space and maintain profitability in the long term.

The logistics industry in the PRC has experienced rapid growth over the last few years and shows no signs of a downturn or slowdown. The competitive landscape has also seen corresponding changes with a greater amount of domestic companies entering the market. However, there are only a few large-scale logistics providers of comprehensive one-stop solutions, such as the Group, and the industry remains relatively fragmented in terms of the resources and capabilities of market participants. As the primary industrial investment platform of the Wuhan Municipal Government, the Group believes that it will continue to enjoy a supportive sentiment from the government toward the development of its integrated logistics services business and be able to compete effectively.

The Group believes that the property market in the PRC is highly fragmented and that there is no single dominant market player. Competition is primarily based on factors such as location, facilities and supporting infrastructure, services and pricing. The Group's existing and potential competitors primarily include real estate developers concentrated in Wuhan or Hubei Province, or enterprises having similar target demographics. Given real estate is not the Group's main business focus, many of its competitors, particularly those specialising in property development, are likely to have greater financial resources, marketing capabilities and brand recognition. In addition, some international companies are gaining increasing market shares in the PRC. Intensified competition between property developers may result in increased costs in order to acquire land, over-supply of properties and a slowdown in the approval process for new property developments by the relevant government authorities.

With respect to the Group's production of biochemical pharmaceuticals, which is the core component of its industrial investment and operation business sector, the prospects of the PRC healthcare and pharmaceutical markets continue to be of key importance. Healthcare expenditure in China has increased rapidly as a result of a combination of various factors, including a fast-growing economy, increasing disposable income levels and growing health awareness, an aging population, as well as strong government support and favourable healthcare reform plans. Consequently, the PRC pharmaceutical market has seen corresponding growth in recent years and with such upward trend expected to continue. Although the pharmaceutical industry in China is highly fragmented, ongoing healthcare reform and intensifying competition have led to increased industry consolidation. The Group's products primarily compete on the basis of efficacy, price and general market acceptance.

ENVIRONMENTAL MATTERS

The Group's operations, particularly with respect to its trading and real estate development activities, are currently subject to environmental laws and regulations relating to pollution and noise control, air and water emission, water and ground protection, hazardous substances and waste management. Other than its trading and real estate business sectors, the other industries in which it operates are not major sources of environmental pollution, hence it believes that the resulting impact on the environment is relatively minor and the Group has taken all necessary internal environmental protection measures. It will also maintain strict compliance with applicable local laws and regulations concerning health, safety and the environment.

As at the date of this Offering Circular, the Group had not been subject to any fines or administrative actions involving material non-compliance with any relevant regulations, and did not experience any environmental pollution accident that had a material adverse impact on its operations and businesses.

HEALTH AND SAFETY

The Group has taken measures to ensure compliance with applicable national and local laws and regulations concerning workspace safety. It has full-time safety management personnel responsible for supervising workplace safety and occupational health, hygiene and safety, as well as performing internal safety checks during the production process to minimise accidents, injuries and occupational diseases. In order to further strengthen workplace safety compliance policies, the Group has established operational rules for employees, and dedicate more training resources to prevent implementation of policies and practices in violation of relevant laws and regulations, and to prevent employees from committing violations of the Group's workplace safety policies and procedures.

As at the date of this Offering Circular, the Group had not experienced any major workplace or industrial accidents.

INSURANCE

The Group purchases pension insurance, unemployment insurance, medical insurance, maternity insurance and personal injury insurance for its employees in compliance with the relevant PRC laws and regulations. The Group maintains insurance coverage in amounts that it believes are commensurate with its risk of loss and industry practice. Consistent with what the Group believes to be customary practice in the PRC, it does not carry any business interruption insurance, key-man insurance, insurance covering potential environmental damage claims and contractors all-risk and third-party liability insurance. There is a risk that the Group does not have sufficient insurance coverage for losses, damages and liabilities should any of such arise from its business operation. See "Risk Factors – The insurance coverage of the Group may not adequately protect it against all operational risks."

EMPLOYEES

As at 30 June 2021, the Group had more than 5,000 employees, including 126 management personnel based at its headquarters, of which approximately 99.0 per cent. had at least a bachelor's diploma.

The remuneration package for the Group's employees includes salaries, bonuses and allowances. The Group's employees are entitled to a variety of benefits, including medical care, housing subsidies, retirement and other benefits. In accordance with applicable laws and regulations, the Group has made contributions to social insurance schemes for its employees, which include pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund.

The Group has taken various measures to enhance its employees' skill and expertise. The Group provides training specific to all of the Group's employees at different levels and functions on a regular basis. The Group signs individual employment agreements with its employees, covering, among other things, salaries, benefits, training, workplace safety and hygiene, confidentiality obligations relating to trade secrets and grounds for termination.

LEGAL PROCEEDINGS

The Group is from time to time involved in disputes and legal proceedings arising in the ordinary course of its business.

As at the date of this Offering Circular, the results of searches against the Issuer and its subsidiaries on the online database of judgment debtors maintained by the Supreme People's Court of the PRC did not reveal any of the aforesaid entities as a judgment debtor which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

As at the date of this Offering Circular, the board of directors of the Issuer (the "Board") consists of six members, including the chairman, the deputy chairman, two directors and two independent directors. All directors are appointed by Wuhan SASAC. The Issuer has no employee representative directors, which is not in compliance with the Company Law of the People's Republic of China ("Company Law"). The Board determines major matters, including but not limited to corporate administrative policies, business plans, investment proposals and financial budgets, and is accountable to Wuhan SASAC.

The following table sets forth the members of the Board as at the date of this Offering Circular:

Name	Age	Position
Chen Zanxiong (諶贊雄)	58	Chairman and Party Committee secretary
Mei Lin (梅林)	52	Deputy Chairman and deputy Party Committee
		secretary
Guan Zhiwu (管志武)	52	Director and deputy Party Committee secretary
Ren Weilin(任偉林)	58	Director
Zheng Tao (鄭濤)	58	Independent Director
Liu Cong (劉聰)	58	Independent Director

Mr. Chen Zanxiong (諶贊雄) has been the Chairman of the Board and the Party Committee secretary of the Issuer since August 2017. Mr. Chen joined the workforce since 1982 and joined the Chinese Communist Party in 1998. He previously served as the general manager, deputy Chairman of the Board and a deputy Party Committee secretary of the Issuer. He also served as the president, a director and deputy Party Committee secretary of the Wuhan Rural Commercial Bank(武漢農村商業銀行), an associate director and deputy director of the Wuhan Rural Credit Cooperative (武漢市農村信用合作社 聯合社), a general manager of the Wuhan Science and Technology Trust and Investment Company(武 漢科技信託投資公司), a section chief of the Non-banking Supervision Division of the Wuhan Branch of People's Bank of China (中國人民銀行武漢市分行), and a manager of the Capital Planning Department and a general manager of the Shanghai Securities Department of the Industrial and Commercial Bank of China Wuhan Trust and Investment Company (中國工商銀行武漢市信託投資公 司). Mr. Chen was named "National Outstanding Entrepreneur of the Year 2019 to 2020" by China Enterprise Confederation and China Entrepreneur Association. He is currently a member of the Standing Committee and the Deputy Director of the Finance and Economic Committee of the 14th Wuhan Municipal People's Congress. He is also a senior economist. Mr. Chen obtained his doctorate degree in management from Zhongnan University of Economics and Law.

Mr. Mei Lin (梅林) has been the Deputy Chairman of the Board, the general manager and a deputy Party Committee secretary of the Issuer since November 2017. Mr. Mei joined the workforce since 1990 and joined the Chinese Communist Party in 1996. He previously served as a deputy director of Wuhan Municipal Bureau of Financial Affairs (武漢市金融工作局), deputy director of the Financial Affairs Office of Wuhan (武漢市金融辦公室), the director of the government research office and the director of the general office of Qingshan District Government (青山區政府) and the director of the general office of the Qingshan District Finance Bureau (青山區財政局辦公室). Mr. Mei has a bachelor's degree.

Mr. Guan Zhiwu (管志武) has been a director, deputy Party Committee secretary and the secretary of Commission of Discipline Inspection of the Issuer since May 2009. Mr. Guan previously served as the chief of the first general division, deputy chief and chief of the secretary division of Wuhan Party Committee (武漢市委) and a lecturer of the Qichun Campus of Huanggang Radio and Television

University (黃岡廣播電視大學蘄春分校) and held various positions at the general division of the office of Party Committee of Wuhan (武漢市委辦公廳綜合處). Mr. Guan obtained his master's degree in modern and contemporary history from Wuhan University.

Mr. Ren Weilin (任偉林) has been a director, a member of Party Committee and the chairman of the labour union of the Issuer since December 2012. Mr. Ren previously served as the chairman of the board of supervisors of Yangtze Communications and held various positions at Wuhan Economic Development and Investment Group Co., Ltd. (武漢經濟發展投資(集團)有限公司), Hubei Donghu Disc Technology Co., Ltd. (湖北東湖光碟技術有限責任公司), the research office of Wuhan Party Committee, Wuhan SASAC, the People's Government of Wuhan (武漢市人民政府), the Communist Youth League of Wuhan (共青團武漢市委) and the Communist Youth League of Huangpi County (共青團黃陂縣委). Mr. Ren is a senior economist, a senior human resources manager and a senior professional manager. Mr. Ren obtained his master's degree in management science and engineering from Wuhan University of Technology and has a doctorate degree.

Ms. Zheng Tao (鄭濤) has been an independent director of the Issuer since October 2020. Ms. Zheng previously served as the officer and the executive assistant of the Human Resources Department of Wuhan Trade State-owned Holding Group Co., Ltd. (武漢商貿國有控股集團有限公司), the director of the Human Resources Department, a director and the chairman of the labour union of Wuhan Selline Group Co., Ltd. (武漢商聯(集團)股份有限公司) and a director of Wuhan State-owned Assets Management Company (now known as Wuhan Selline Group Co., Ltd.). Ms. Zheng obtained her master's degree in Business Administration from City University of Macau.

Mr. Liu Cong (劉聰) has been an independent director of the Issuer since September 2020. Mr. Liu previously served as the general manager and the head of planning and business department of Wuhan Mall (武漢商場), the general manager of Wushang Home Appliance Shopping Centre, a director of Wuhan State-owned Assets Management Company (now known as Wuhan Selline Group Co., Ltd.) and the general manager of Wuhan Department Store Group Co., Ltd. (武商集團股份有限公司). Mr. Liu also served as the chairman of the board of directors and the Party Committee secretary of Zhongbai Holdings Group Co., Ltd. (中百集團股份有限公司). Mr. Liu is a senior economist. Mr. Liu obtained his bachelor's degree in economic management from Wuhan Municipal Party School.

SUPERVISORS

The Issuer has no supervisors as at the date of this Offering Circular, which is not in compliance with the Company Law of the PRC. Wuhan SASAC, as the sole shareholder of the Issuer, is currently considering setting up the board of supervisors.

SENIOR MANAGEMENT

The Issuer's senior management currently consists of one general manager, one secretary of Commission of Discipline Inspection, two deputy general managers, one chief economist, one deputy chief economist, three assistant general managers and one deputy chief accountant. The general manager is appointed by the Board, and the other members of the senior management other than the secretary of the Commission of Discipline Inspection are nominated by the general manager and appointed by the Board.

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

Name	Age	Position
Mei Lin (梅林)	52	General manager
Qiu Shi (邱實)	56	Secretary of Commission of Discipline Inspection
Chen Wei(陳衛)	59	Deputy general manager
Zhou Yuping(周玉萍)	46	Deputy general manager
Ding Zhen (丁震)	44	Chief economist
Hu Wenxue(胡文學)	53	Deputy chief economist
Tang Wu(唐武)	51	Assistant general manager
Wang Xingang(王新剛)	54	Assistant general manager
Cheng Chiguang(程馳光)	46	Assistant general manager
Yao Yongqing (姚永晴)	51	Deputy chief accountant

Mr. Mei Lin (梅林) has been the general manager of the Issuer since November 2017. For further details of Mr. Mei's biography, see "Directors" above.

Mr. Qiu Shi (邱實) has been the secretary of Commission of Discipline Inspection since September 2020. Mr. Qiu served as the chief economist of Wuhan Metro Group Co., Ltd. (武漢地鐵集團有限公司) and the secretary of the discipline inspection committee of Wuhan Real Estate Development and Investment Group Co. (武漢地產開發投資(集團)有限公司). Mr. Qiu previously held various positions at Wuhan Audit Bureau (武漢市審計局).

Mr. Chen Wei (陳衛) has been a deputy general manager and a member of Party Committee of the Issuer since May 2009. He also serves as the chairman of the board of directors and Party Committee secretary of Wuhan Traffic Engineering Construction and Investment Co., Ltd. (武漢交通建設投資有限公司). Mr. Chen previously held various positions at Wuhan Chemical Industrial New Town Construction, Development and Investment Co., Ltd. (武漢化工新城建設開發投資有限公司), Wuhan Development Investment Co., Ltd. (武漢開發投資有限公司), Wuhan Baishazhou Yangtze River Bridge Co., Ltd. (武漢白沙洲橋樑有限公司), the bridge construction office of Wuhan Yangtze River Highway Bridge Construction Headquarters (武漢長江公路橋建設指揮部), Wuhan Economic Information Centre (武漢經濟信息中心) and Health and Family Planning Commission of Hubei Province (湖北省衛生和計劃生育委員會).

Ms. Zhou Yuping (周玉萍) has been a deputy general manager of the Issuer since January 2016. She also serves as the president of Wuhan Financial Assets Exchange Co., Ltd. (武漢金融資產交易所有限公司). Ms. Zhou previously held various positions at Wuhan Economic Development and Investment Group Co., Ltd. (武漢經濟發展投資(集團)有限公司), Wuhan Qiuchang Road Branch of Industrial and Commercial Bank of China (中國工商銀行武漢市球場路支行) and Hubei Provincial Branch of Industrial and Commercial Bank of China (中國工商銀行湖北省分行).

Mr. Ding Zhen (丁震) has been the chief economist of the Issuer since November 2013. He also serves as the chairman of the board of directors of Wuhan Financial Holding Energy Group Co., Ltd. (武漢金 控能源集團有限公司). Mr. Ding previously held various positions at the Issuer, Wuhan Economic Development and Investment Group Co., Ltd. (武漢經濟發展投資(集團)有限公司), Wuhan Development Investment Co., Ltd. (武漢開發投資有限公司), Wuhan United Property Rights Exchange Co., Ltd. (武漢聯合產權交易所有限公司) and Wuhan Guohuasheng Investment Co., Ltd. (武漢國華盛 投資有限公司).

Mr. Hu Wenxue (胡文學) has been a deputy general manager of the Issuer since January 2014 and the director of the Audit Department of the Issuer. Mr. Hu previously held various positions at Wuhan Department Store Group Co., Ltd. (武漢武商集團股份有限公司), Wuhan United Property Rights Exchange Co., Ltd. (武漢聯合產權交易所有限公司), Wuhan Plastics Industrial Group Co., Ltd. (武漢 塑料工業集團股份有限公司) and Three Gorges Securities Co., Ltd. (三峽證券有限責任公司).

Mr. Tang Wu (唐武) has been an assistant general manager of the Issuer since November 2017. Mr. Tang previously held various positions at Hubei Provincial Branch of Agricultural Bank of China (中國農業銀行湖北省分行) and Wuhan Zhongxing Branch of Agricultural Bank of China (中國農業銀行武漢市中興支行).

Mr. Wang Xingang (王新剛) has been an assistant general manager of the Issuer since September 2011 and also serves as the director of the Logistics Management Centre of the Issuer. Mr. Wang previously held various positions at Wuhan Optics Valley United Property Rights Exchange Co., Ltd. (武漢光穀聯合產權交易所有限公司), Wuhan Economic Development and Investment Group Co., Ltd. (武漢經濟發展投資(集團)有限公司) and Wuhan Industry Investment Co., Ltd. (武漢工業國有投資有限公司).

Mr. Cheng Chiguang (程馳光) has been an assistant general manager of the Issuer since December 2018. Mr. Cheng previously held various positions at Wuhan Branch of People's Bank of China (中國人民銀行武漢分行).

Ms. Yao Yongqing (姚永晴) has been a deputy chief accountant of the Issuer since April 2019. She also serves as the president of Wuhan Yangtze Financial Services Co., Ltd. (武漢長江金融服務有限公司). Ms. Yao previously held various positions at Wuhan Economic Development Investment (Group) Co. Ltd. Fund Management Centre (武漢經發投資金管理中心), Wuhan Rural Commercial Bank (武漢農村商業銀行) and Wuhan Rural Credit Cooperative (武漢市東西湖區吳家山農村信用合作社).

CORPORATE GOVERNANCE

The Issuer has established and implemented an effective corporate governance structure. It has set up the Board Office as well as eleven departments at the headquarter level, namely the General Administrative Department, Planning and Financial Department (Fund Management Centre), Finance Department, Investment and Development Department, Assets Management Department, Innovation and Coordination Department, Risk and Compliance Department, Legal Department, Audit Department, Human Resources Department and Logistics Management Centre.

The primary duties of these departments and centres are set forth as follows:

- Board Office is primarily responsible for preparing, organising and coordinating Board meetings and committee meetings, preparing minutes, drafts of resolutions and other meeting documents, enforcing and monitoring the enforcement of Board resolutions and other decisions of the Board, conducting researches for the Board meetings, proposing the annual working plans of the Board, safekeeping and monitoring the use of seal of the Issuer's legal representative and organising and maintaining relevant documents of the Board. Members of the Board Office may attend the work meetings held by the general manager upon the approval of the Board or the Chairman of the Board.
- General Administrative Department is primarily responsible for preparing the minutes and summaries of manager meetings, monitoring the enforcement of the senior management's decisions, proposing and enforcing working plans for the Issuer's departments and subsidiaries, organising the routine activities of senior management, coordinating the operations of the departments, maintaining and managing corporate documents, seals, transportation and classified documents, providing guidance to and supervising the safety of the Issuer's subsidiaries' operations and facilitating the Issuer's communication with Wuhan SASAC and other government authorities.
- Planning and Financial Department (Fund Management Centre) is primarily responsible for establishing a comprehensive internal control and management system, financial management system and accounting and audit system, undertaking financial management, accounting, tax declaration and tax payment, preparing the Group's consolidated financial reports, formulating annual financial plans and budgets, overseeing the financial matters of the Issuer's subsidiaries, assessing the financial condition and operation results of the Group and maintaining and managing

the financial documents of the Group. It is also responsible for managing, preparing reports of and advising on the use of the Group's funds and budgets, anticipating the future condition and liquidity of the Group's funds and establishing and maintaining an early alarm system of funds and budgets.

- Finance Department is primarily responsible for formulating plans for and undertaking financing activities in banking and securities, managing external guarantees, monitoring the operation of the Group's financial subsidiaries and listed companies and providing financing advises to the senior management based on its analysis of the financial market.
- Innovation and Coordination Department is primarily responsible for making annual innovation and coordination working plans, formulating relevant rules and regulations, supervising and instructing the Group's departments and subsidiaries on the implementation of relevant agendas, providing innovation and coordination services to the Group, helping the Group to innovate new finance mode, meeting with clients and promoting innovative projects.
- Risk and Compliance Department is primarily responsible for establishing a comprehensive risk
 control system, formulating risk control regulations, rules and policies, monitoring risk factors of
 the Group, giving the Group adequate warnings, providing risk response plans, frequently
 conducting risk factor assessments, participating in auditing, running a risk control information
 system and a data quality control system and providing training in risk management.
- Investment and Development Department is primarily responsible for formulating strategic plans for business development and investment goals, establishing mid-term, long-term, annual and other specific investment plans and reviewing, monitoring, implementing and supervising investment projects.
- Assets Management Department is primarily responsible for the compliance with laws and regulations regarding state-owned assets, monitoring the Group's transactions involving the utilisation of state-owned assets, reviewing the Group's plans for adjusting its business structure, mergers and acquisitions, reorganisation and restructuring and asset management, undertaking the identification and management of state-owned assets of the Issuer's subsidiaries and assessing the Group's operation and business performance.
- Legal Department is primarily responsible for reviewing and executing contracts, bylaws, agreements and other legal documents, undertaking the Issuer's litigation or transactional legal affairs and providing guidance on legal affairs to the Issuer's subsidiaries, performing due diligence, overseeing the Group's corporate structure and internal control system, monitoring the business operations and investments of the Group in terms of compliance and risk control and providing legal advices to the Group on other matters.
- Audit Department is primarily responsible for formulating and implementing audit proposals, plans and strategies, organising periodic financial audits on the Group's general financial conditions, business activities and the performance of major projects, evaluating the internal control system and risks of the Group's business operations, supervising the financial conditions, results of operations and material business activities of the Group, reviewing the annual or other periodic audit reports of the Group and advising the Board on managing and hiring intermediary audit agencies.
- Human Resources Department is primarily responsible for assisting the organisation department of Wuhan Party Committee and Party Committee of Wuhan SASAC in managing and performing annual review of the Board Members and senior management of the Issuer and the Group, coordinating the operations of the Board committees, undertaking the hiring, remuneration, assessment, selection and promotion of the employees and senior management of the Issuer and its wholly-owned subsidiaries, formulating and implementing training plans, recommending the

Issuer's candidates of directors, supervisors and shareholder representatives of its controlling and other shareholding enterprises, proposing the Issuer's plans and strategies of hiring, remuneration and welfare and managing the social securities and other provident funds of the employees.

• Logistics Management Centre is primarily responsible for formulating and implementing the bylaws of the Group's logistics, organising and undertaking the conferences, receptions and security of the Group, managing and maintaining the properties and fixed assets of the Group and providing dining service to the employees.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be approximately U.S.\$447.5 million after deducting the commission to be charged by the Joint Lead Managers and other estimated expenses payable by the Issuer in connection with the issue of the Notes. The Issuer intends to apply the proceeds of the offering to repay existing offshore debt, engage in project investments in the PRC and replenish working capital.

EXCHANGE RATE INFORMATION

The People's Bank of China (the "PBOC") sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by 2 per cent. against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0 per cent. on 16 April 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from 21 July 2005 to 31 December 2013. On 17 March 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. Effective since 11 August 2015, market makers are required to quote their central parity rates for Renminbi against the U.S. dollar to the China Foreign Exchange Trade System (the "CFETS") daily before the market opens by reference to the closing rate of the PRC inter-bank foreign exchange market on the previous trading day in conjunction with the demand and supply conditions in the foreign exchange markets and exchange rate movements of major currencies. The PBOC has further authorised the CFETS to announce its central parity rate for Renminbi against the U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote. From 1 January 2017, according to the sampling rule of "CNY versus FX currency pair listed on CFETS", CFETS has added 11 currencies newly listed on CFETS in 2016. And the number of basket currencies has increased from 13 to 24. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

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

_	Renminbi per U.S.\$ Noon Buying Rate ⁽¹⁾			
Period	End	Average ⁽²⁾	High	Low
	(RMB per US\$1.00)			
2016	6.9430	6.6400	6.9580	6.4480
2017	6.5063	6.7350	6.9575	6.4773
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.9042	7.1681	6.5208
2021				
April	6,4749	6.5186	6.5649	6.4710
May	6.3674	6.4321	6.4749	6.3674
June	6.4566	6.4250	6.4811	6.3796
July	6.4609	6.4763	6.5104	6.4562
August	6.4604	6.4768	6.5012	6.4604
September	6.4434	6.4563	6.4702	6.4320
October	6.4050	6.4172	6.4485	6.3822

Notes:

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

⁽²⁾ Annual and semi-annual averages have been calculated from month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

TAXATION

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

THE PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as "non-resident Noteholders" in this "TAXATION – THE PRC" section. In considering whether to invest in the Notes, 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.

Income Tax and Value-Added Tax

Pursuant to the EIT Law, the Individual Income Tax Law of the RPC ("IIT Law") and the implementation rules 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 Noteholders 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 Noteholders and at a rate of 20 per cent. for non-resident individual Noteholders (or a lower treaty rate, if any). Such income tax shall be withheld by the Issuer that is acting as the obligatory withholder, and the Issuer shall withhold the tax amount from each payment. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-resident enterprise or individual Noteholders.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Notes 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 Notes by non-resident enterprise Noteholders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the EIT Law, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than one 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 Notes 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 Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement, Noteholders 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 Notes if such capital gains are not connected with an office or establishment that the Noteholders have in the PRC and all the other relevant conditions are satisfied.

On 23 March 2016, the MOF and the State Administration of Taxation issued Circular 36, which introduced the VAT from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide services within the PRC. The operating revenues generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to VAT if the seller or purchaser of the services is within the PRC. In the event that the seller is an entity or individual which does not have a business establishment in the PRC, the purchaser of the 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 services, financial services of direct charges, insurance services and the transfer of financial instruments, and the applicable VAT rate is 6.0 per cent.

Accordingly, the interest and other interest like earnings received by a non-resident Noteholder from the Issuer will be subject to PRC VAT at the rate of 6.0 per cent. The Issuer will be obligated to withhold VAT of 6.0 per cent. and certain surcharges on payments of interest and other amounts on the Notes paid by the Issuer to Noteholders that are non-resident enterprises or individuals. According to the PRC Interim Regulations on City Maintenance and Construction Tax (effective on 8 January 2011), the Interim Regulations on the Imposition of Educational Surcharge (effective on 8 January 2011) and the Reply Letter of Ministry of Finance on Approving the Imposition of Local Educational Surcharge in Hubei Province (effective on 2 June 2008), certain surcharges include a city maintenance and construction tax (7.0 per cent. in the case of the Issuer), an educational surcharge (3.0 per cent.) and a local educational surcharge (1.5 per cent.).

However, there is uncertainty as to whether gains derived from a sale or exchange of the Notes consummated outside of the PRC between non-PRC resident Noteholders will be subject to VAT. VAT is unlikely to be applicable to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Notes, but there is uncertainty as to the applicability of VAT if either the seller or buyer of the Notes 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.

However, despite the withholding of the PRC tax by the Issuer as mentioned above, the Issuer has agreed to increase the amounts paid by it to the extent required, so that the net amount received by the Noteholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required, as further set out in "Terms and Conditions of the Notes – Taxation".

Stamp Duty

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

HONG KONG

Withholding Tax

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

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 (Cap. 112) of Hong Kong (the "Inland Revenue Ordinance"), as it is currently applied in the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes 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, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong and such interest is derived from Hong Kong; or
- (iii) interest on the Notes 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 such interest is derived from Hong Kong and is in respect of the funds of the trade, profession or business; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from 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), even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

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

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired or disposed of. 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 (as defined in section 16 (3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of the Notes will be subject to profits tax.

Stamp Duty

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

THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

PRC REGULATIONS

This section is a high-level overview of the principal PRC laws and regulations, which are relevant to the issue of the Notes by the Issuer and the Group's business and operations. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations, nor does it intend to be an exhaustive list of all the principal laws and regulations affecting the Group.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws, laws of Special Administrative Regions, laws resulting from international treaties entered into by the PRC government and judicial interpretations. In general, PRC court judgments do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

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

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

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

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

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

THE PRC JUDICIAL SYSTEM

Under the PRC Constitution and the Law of Organization of the People's Courts, the judicial system is made up of the Supreme People's Court, the local courts, military courts and other special courts.

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

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

The Civil Procedure Law of the PRC, which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012 and 27 June 2017, respectively, sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgment or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the court to request for enforcement of the judgment, order or award. The time limit imposed on the right to apply for such enforcement is two years. If a person fails to satisfy a final judgment made by the court within the stipulated time, the court will, upon application by any party to the action, mandatorily enforce the judgment.

A party seeking to enforce a judgment or order of a court against a party who is not located within the PRC and does not own any property in the PRC may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or order. A foreign judgment or ruling may also be recognised and enforced by a PRC court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination in accordance with the principle of reciprocity, unless the court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

MAJOR LAWS AND REGULATIONS

Regulation on Fiscal Debts of Local Governments

In accordance with Guidance on Further Strengthening Adjustment of Credit Structure to Promote Fast and Smooth Development of National Economy (中國人民銀行、中國銀行業監督管理委員會關於進一步加強信貸結構調整促進國民經濟平穩較快發展的指導意見) issued jointly by the PBOC and the

CBRC in March 2009, local governments are encouraged to establish financing platforms to issue financing instruments such as enterprise bonds and medium term notes. In order to strengthen the management of financing platforms and effectively prevent fiscal financial risks, Notice of the State Council on Strengthening Management of Financing Platform of Local Government (國務院關於加強地方政府融資平台公司管理有關問題的通知)(the "Circular 19") and Notice of NDRC on Further Regulating Issuance of Bonds by Financing Platform of Local Government (國家發展改革委辦公廳關於進一步規範地方政府投融資平台公司發行債券行為有關問題的通知)(the "Circular 2881") were separately promulgated in June 2010 and November 2010. In accordance with Circular 19, all levels of local governments shall clear up their respective financing platform. In accordance with Circular 2881, indebtedness of local governments will impact financing platform's issuance of enterprise bonds.

In accordance with the currently effective Budget Law of the PRC which took effect on 1 January 2015, local governments are empowered to issue government bonds.

On 21 September 2014, the Circular 43 was promulgated by the State Council. Circular 43 aims at regulating financing system of local government and three channels are presented. In accordance with Circular 43, financing platforms shall no longer serve the fiscal financing functions nor incur new government debts. Public interest projects may be funded by the government through issuing government bonds and public interest projects with income generated, such as city infrastructure construction, may be operated independently by social investors or jointly by the government and social investors through the establishment of special purpose companies. Social investors or such special purpose companies shall invest in accordance with market-oriented principles and may be funded by, among other market-oriented approaches, bank loans, enterprise bonds, project revenue bonds and asset-backed securitisation. Social investors or the special purpose companies shall bear the obligation to pay off such debts and the government shall not be liable for any of the social investors' or special purpose companies' debts. Circular 43 also sets forth the general principles of dealing with existing debts of financing platforms. Based on the auditing results of such debts run by the local governments, the existing debts that should be repaid by the local governments shall be identified, reported to State Council for approval, and then included in the budget plan of local governments.

On 10 December 2014, the People's Government of Shandong Province promulgated the Implementation Opinion on Circular 43 to implement Circular 43 in Shandong Province, which emphasised that financing platforms shall no longer serve the fiscal financing functions nor incur new government debts. In accordance with the Implementation Opinion on Circular 43, upon joint confirmation of the debtors and the creditors, debts of financing platforms that were incurred due to development of commercial real estate and other projects for profit shall be identified as corporate debts and shall not be repaid by local government. As for debts of financing platforms that were incurred due to public interest projects, if the income generated from such projects is sufficient to repay the principal and interests of such debts, such debts shall be repaid by such income. In addition, social investors are encouraged to construct and operate certain public interest projects; and as for the public interest projects constructed and operated by social investors, the debts incurred due to such projects shall be repaid by the project company through market-oriented approaches and shall not be repaid by local government.

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

The key tasks of local governments and banking financial institutions are as followings:

- Support stock financing needs for projects under construction. Local governments at all levels and banking financial institutions shall ensure the orderly development of projects under construction. For the loans to the projects under construction of financing platform companies, if the loan contracts with legal effect have been signed before 31 December 2014 and the loans have been granted but the contracts have not yet expired, banking financial institutions shall, under the premise of fully controlling risks and implementing credit conditions, continue to grant loans as agreed in the contracts, and shall not blindly call in loans in advance, delay or suspend the granting of loans.
- Regulate increment financing for projects under construction. Local governments at all levels shall pay close attention to the increment financing needs which are expected to be given fiscal support for the projects under construction of the financing platform companies, and shall, under the premise of compliance with laws and regulations and standard administration, make overall arrangements for various kinds of capitals such as fiscal capital and social capital and ensure the continuation and completion of projects under construction. For the projects under construction of financing platform companies for which the loan amount in the contracts that have been signed fails to meet the construction needs, if it is suitable for them to adopt government and social capital cooperation mode, they shall prioritise such mode to make up the needs. And if they are in compliance with the relevant state provisions without any other funding sources for construction, but temporarily the government and social capital cooperation mode is not suitable, the increment financing needs shall be incorporated into government budget management and solved through issuing government bonds by local governments as required by laws and relevant regulations.
- Administer in an effective and proper manner follow-up financing for projects under construction. Banking financial institutions shall carefully check the destinations of the loans, and focus on supporting the projects under construction of financing platform companies in respects such as farmland water conservancy facilities, affordable housing projects and urban railway systems.
- Improve supporting measures. Under the premise of ensuring fiscal expenditure needs, in the regions where there are corresponding amount of government bonds issuance and where the treasury balances exceed the treasury payment for one and a half months, the local financial departments are allowed to, within the limit of the amount of government bonds issuance, make more efforts to effectively use the stock of fiscal funds in the previous years and use the surplus amount of the treasury for capital flow before government bond issuance, so as to address the time difference between the financing for projects under construction and government bonds issuance.

SAFE Registration

According to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, which was issued by the SAFE on 28 April 2013 and came into effect on 13 May 2013 and was modified on 4 May 2015, where the debtor is any other debtor in China other than the fiscal authorities and banks, it shall complete registration formalities for execution of foreign debt contract with the foreign exchange bureau at the locality within the stipulated period for each transaction.

Work Safety Management

Major laws and regulations on work safety during the project contracting process include Work Safety Law of the People's Republic of China (中華人民共和國安全生產法) promulgated by SCNPC on 29 June 2002 which became effective on 1 November 2002, and amended on 31 August 2014 which amendment became effective on 1 December 2014, Regulation on Work Safety Management of Construction Projects (建設工程安全生產管理條例) promulgated by State Council on 24 November 2003 which became effective on 1 February 2004, Regulation on Work Safety Licenses (安全生產許可 證條例) by State Council on 13 January 2004 and became effective on the same date, and amended on

29 July 2014 which amendment became effective on the same date, Regulation on Work Safety Accident Report and Investigation (生產安全事故報告和調查處理條例) promulgated by State Council on 9 April 2007 which became effective on 1 June 2007, and Administrative Provisions on Work Safety Licenses of Construction Enterprises (建築施工企業安全生產許可證管理規定) issued by MOC on 5 July 2004 and became effective on the same date and amended on 22 January 2015.

In accordance with the Work Safety Law of the People's Republic of China, Regulation on Work Safety Licenses and other related regulations, the state implements the work safety license system to construction enterprises. Any enterprise failing to obtain the work safety license shall not carry out production activity. In accordance with the Regulation on Work Safety Management of Construction Projects, all the building, surveying, designing, construction and supervision units shall be responsible for the work safety of construction projects. For general contracting projects, the general contractor shall assume full responsibility for the work safety of the construction site, and the subcontractor shall be jointly liable for the work safety of the subcontracted portions of work.

Environmental Protection Management

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

In accordance with the provisions of the Administrative Regulations on Environmental Protection of Construction Projects and Administrative Measures for Environmental Protection Acceptance of Construction Projects upon Completion, the PRC government implements the system of environmental impact assessment on construction projects. After the completion of a construction project, the competent administrative department of environmental protection will undergo environmental protection acceptance process and assess whether the construction project has met the requirements for environmental protection.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The consolidated financial statements of the Issuer included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications that still exist between PRC GAAP and IFRS, which might be relevant to the financial information of the Group included herein.

The following is a general summary of certain differences between PRC GAAP and IFRS as applicable to the Group. The differences identified below are limited to those significant differences that are appropriate to the Group's financial statements. The Group is responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there can be no assurance regarding the completeness of the summary. The Group has not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC GAAP and IFRS and has not quantified such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may have been identified that are not listed below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC GAAP and IFRS have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. Accordingly, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete.

In making an investment decision, investors must rely upon their own examination of the Group, the terms of the offering and other disclosure contained herein. Investors should consult their own professional advisors for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

Share reform scheme cost

In 2004, PRC listed companies under state control started to implement share reform schemes by encouraging holders of publicly tradable shares to allow non-publicly tradable shares to convert into tradable shares. One of the common ways to achieve this purpose is to pay cash directly to the holders of publicly tradable shares. Under PRC GAAP, such a payment is capitalised as the cost of long-term equity investments, financial assets held for trading or available-for-sale financial assets, as appropriate.

Under IFRS, such a payment is not allowed to be capitalised and, accordingly, a GAAP difference may be noted.

Provision for future development fund and work safety cost

Under PRC GAAP, in accordance with relevant regulations of the Chinese authorities, the Group has to accrue special reserves such as future development funds and work safety cost, which are presented as cost of expenses of the period and the amount that has been accrued, are presented in special reserve of owner's equity. Work safety cost, which belongs to cost of expenses, directly offset the special reserves. The accrued work safety reserve, which is used by enterprises and used to form fixed assets, shall be charged as "construction in progress", and recognised as a fixed asset upon the project being completed and reaching the expected operational standard. Meanwhile, the special reserves are offset in accordance with the cost of fixed asset formation, while the equivalent amount of accumulated depreciation is recorded. The fixed asset so formed shall cease to accrue depreciation in the following periods.

Pursuant to IFRS, these expenditures should be recognised when incurred. Relevant capital expenditures are recognised as part of cost of non-current assets when they are incurred and depreciated according to the respective depreciation policy. The differences between the above-mentioned standards give rise to differences in deferred tax.

Reversal of an impairment loss

Under PRC GAAP, once an impairment loss is recognised for a long term asset (including fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill could be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Related party disclosures

Under PRC GAAP, government-related entities are not treated as related parties. Under IFRS, government-related entities are still treated as related parties.

Fixed assets and intangible assets

Under PRC GAAP, only the cost model is allowed.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with China International Capital Corporation Hong Kong Securities Limited, China CITIC Bank International Limited, China Industrial Securities International Brokerage Limited, Industrial Bank Co., Ltd. Hong Kong Branch, China Zheshang Bank Co., Ltd. (Hong Kong Branch), China PA Securities (Hong Kong) Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Silk Road International Capital Limited, Bank of China Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, Shenwan Hongyuan Securities (H.K.) Limited, CLSA Limited and CMB International Capital Limited (together, the "Joint Lead Managers") dated 9 November 2021 (the "Subscription Agreement"), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue and the Joint Lead Managers have severally and not jointly agreed with the Issuer to subscribe for the principal amount of the Notes as set forth opposite their names in the following table.

Joint Lead Managers	Principal amount of the Notes (U.S.\$)
China International Capital Corporation Hong Kong Securities Limited	96,000,000
China CITIC Bank International Limited.	96,000,000
China Industrial Securities International Brokerage Limited	96,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	45,000,000
China Zheshang Bank Co., Ltd. (Hong Kong Branch).	45,000,000
China PA Securities (Hong Kong) Company Limited	20,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	20,000,000
Silk Road International Capital Limited	10,000,000
Bank of China Limited	10,000,000
China Everbright Bank Co., Ltd., Hong Kong Branch	5,000,000
Shenwan Hongyuan Securities (H.K.) Limited	5,000,000
CLSA Limited	1,000,000
CMB International Capital Limited	1,000,000
Total	450,000,000

The Joint Lead Managers are offering the Notes in accordance with the terms of the Subscription Agreement and subject to certain conditions contained in the Subscription Agreement, including, *inter alia*, the receipt by the Joint Lead Managers of documentation related to the issuance and sale of the Notes and legal opinions. The Subscription Agreement may be terminated by the Joint Lead Managers in certain circumstances at any time up to the time when the proceeds of the offering have been received and the Notes issued. The Subscription Agreement provides that the Issuer will indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

The Issuer will pay the Joint Lead Managers' customary fees and commissions in connection with the offering and will reimburse the Joint Lead Managers for certain fees and expenses incurred in connection with the offering.

The Joint Lead Managers propose initially to offer the Notes at the Issue Price set forth on the cover page of this Offering Circular and for resale in transactions not requiring registration under the Securities Act pursuant to Regulations S.

If a jurisdiction requires that the issue of the Notes be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the issue of the Notes shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

New Issue of the Notes

The Notes are a new issuance of securities with no established trading market. Application has been made to the Hong Kong Stock Exchange for permission to deal in, and for listing of, the Notes by way of debt issues to Professional Investors only. However, no assurance can be given as to the liquidity of

any trading market for the Notes. A liquid or active public trading market for the Notes may not develop. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the performance of the Issuer and other factors.

Price Stabilisation and Short Positions

In connection with the offering, any Joint Lead Manager or any person acting on its behalf may, to the extent permitted by applicable laws and directives, engage in transactions that stabilise or otherwise affect the market price of the Notes. These transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Notes. If any Joint Lead Manager or its agent create a short position in the Notes in connection with the offering (i.e. if any Joint Lead Manager or its agent sells more Notes than are set forth on the cover page of this Offering Circular), that Joint Lead Manager or its agent may reduce that short position by purchasing Notes in the open market. In general, purchases of a Note for the purpose of stabilisation or to reduce a short position could cause the price of the Notes to be higher than it might be in the absence of such purchases. Stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time and must be brought to an end after a limited period.

Neither the Issuer nor the Joint Lead Managers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither the Issuer nor the Joint Lead Managers make any representation that any Joint Lead Manager or its agent will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Other Relationships

Each of the Joint Lead Managers or its affiliates may purchase the Notes for its or their own account and enter into transactions, including, without limitation, credit derivatives, including asset swaps, repackaging and credit default swaps relating to the Notes or securities of the Issuer and its subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchaser of the Notes). Each Joint Lead Manager and/or its affiliate(s) may purchase Notes and be allocated Notes for asset management and/or proprietary purposes, acting as investor for their own accounts and not with a view to distribution, and may in that capacity retain, purchase or sell for its own account such securities and any securities of the Issuer or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Notes. Accordingly, references herein to the Notes being offered should be read as including any offering of the Notes to the Joint Lead Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Joint Lead Managers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associates from time to time. They have received, and may in the future receive, customary fees and commissions for these transactions. In addition to the transactions noted above, the Joint Lead Managers and their affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer or its subsidiaries, jointly controlled entities or

associates in the ordinary course of their business. In addition, the Joint Lead Managers and certain of their respective subsidiaries and affiliates may hold shares or other securities in the Issuer as beneficial owners, on behalf of clients or in the capacity of investment advisors.

Selling Restrictions to the Offering

General

The distribution of this Offering Circular or any offering material and the placement, offering, sale or delivery of the Notes are subject to restrictions and may not be made except pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of a placement, offer or invitation in any circumstances in which such placement, offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would, or is intended to permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Notes, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Notes or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, place, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

If a jurisdiction requires that the offering or placement be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of them is a license broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in accordance with Regulation S or pursuant to any other exemption from the registration requirements of the Securities Act. Each Joint Lead Manager has represented that it has not offered or sold, and agrees that it will not offer or sell, any Notes 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 Notes. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

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

Hong Kong

Each Joint Lead Manager has represented and agreed that:

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

PRC

Each Joint Lead Manager has represented and agreed that no Notes will be offered or sold in the PRC (excluding Hong Kong, the Macau Special Administrative Region and Taiwan) directly or indirectly, except in compliance with applicable laws and regulations. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful or make the offer or solicitation in the PRC.

No Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:
 - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
 - (ii) where no consideration is or will be given for the transfer; or
 - (iii) where the transfer is by operation of law; or
 - (iv) as specified in Section 276(7) of the SFA; or
 - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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 Notes 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).

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Notes 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 "FIEA") and each Joint Lead Manager has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

GENERAL INFORMATION

1. Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream under Common Code number 240193396 and the International Securities Identification Number for the Notes is XS2401933960. The Legal Entity Identifier of the Issuer is 3003005XLJWUBV4K8S69.

2. Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes, the Subscription Agreement, the Trust Deed and the Agency Agreement, and performance of its obligations thereunder. The issue of the Notes and the execution of the Subscription Agreement, the Trust Deed and the Agency Agreement were authorised by the resolution of the Board on 24 June 2021. The Issuer has received an Enterprise Foreign Debt Filing Registration Certificate dated 24 September 2021 from NDRC in connection with the Pre-Issuance Registration.

3. No Material Adverse Change

Except as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position, prospects or results of operations of the Issuer or the Group since 30 June 2021.

4. Litigation

None of the Issuer or any of the Issuer's subsidiaries is or has been involved in any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the Issuer is aware, during the 12 months preceding the date of this Offering Circular, which may have, or have had, a significant effect on the business or financial position of the Issuer or any of the Issuer's subsidiaries.

5. Available Documents

Upon prior written request and proof of Noteholders' ownership, copies of the 2019 Audited Financial Statements, the 2020 Audited Financial Statements, the Reviewed Interim Financial Statements, the Trust Deed and the Agency Agreement relating to the Notes and the Memorandum and Articles of Association of the Issuer will be available to the Noteholders from the Issue Date at (i) the registered office of the Principal Paying Agent at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong during normal business hours (being 9:00 a.m. to 3:00 p.m. local time), or (ii) through electronic mail, so long as any of the Notes are outstanding.

6. Financial Statements

The 2019 Audited Financial Statements and the 2020 Audited Financial Statements, both of which are included elsewhere in this Offering Circular, have been audited by ShineWing, as stated in its reports appearing herein. The Reviewed Interim Financial Statements have been reviewed by ShineWing. The consolidated financial statements of the Issuer are prepared under PRC GAAP. These consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions.

7. Listing of the Notes

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 17 November 2021.

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REPORTS FOR APRROVAL	SIGNATURE & DATE
终稿校核 Finally revised by	Zerta
现场负责人 In charge of the fieldwork	30. 1000
负责经理审核 Checked by engagement manager	54 769
负责合伙人批准 Approved by engagement partner	avers
复核合伙人批准 Approved by review partner	

Wuhan Financial Holdings (Group) Co., Ltd.

Review Report

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Wuhan Financial Holdings (Group) Co., Ltd.

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信永中和会计师事务所 (特殊普通合伙)武汉分所

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ShineWing

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Review Report

To the shareholders of Wuhan Financial Holdings (Group) Co., Ltd.:

We have reviewed the enclosed financial statements prepared by Wuhan Financial Holdings (Group) Co., Ltd. (hereinafter referred to as "Wuhan Financial Holdings Group"), including the Consolidated and the Parent Company's Balance Sheet as at June 30th, 2021, the Consolidated and the Parent Company's Income Statement, the Consolidated and the Parent Company's Cash Flow Statement, the Consolidated and the Parent Company's Statement of Change in Equity and Notes to the Financial Statements for the six months ended June 30th, 2021. The preparation and fair presentation of these financial statements is the responsibility of the management of Wuhan Financial Holdings Group, and our responsibility is to issue a review report on these financial statements based on our performance of the review.

We conducted our review engagement in accordance with the provisions of Chinese Certified Public Accountants Review Standard No. 2101-Review of Financial Statements, which requires us to plan and perform the review to obtain limited assurance about whether the financial statements are free from material misstatement. The review was mainly limited to the inquiry of the Company's relevant personnel and the implementation of analysis procedures for financial data, thus providing a lower assurance than an audit. We did not conduct an audit and therefore no audit opinions were expressed.

According to our review, we have not noticed anything that makes us believe that the financial statements, in all material respects, have not been prepared in accordance with the Accounting Standards for Business Enterprises, and failed to fairly reflect the financial position ended as at June 30th, 2021 and the operating results and cash flow for six months ended June 30th, 2021 of Wyhan Financial Holdings Group.

ShineWing Certified Public Accountants (Special general partnership) Wuhan Branch

Wuhan, China

Chinese Certified Public Accountants

Chinese Certified Public Accountants

September 6th, 2021

Consolidated Balance Sheet

June 30th, 2021

Prepared by: Witham Financial Holdings (Group) Co., Ltd.	T Nets I	l 20th 2024	Industrial 2021	Unit: RMB yuar
urrent assets IF	Note	June 30th, 2021	Janurary 1st, 2021	December 31st, 2020
Cash and a sh equivalents	VIII.(1)	10,668,530,160.91	10,638,221,447.11	10,640,256,767.1
△ Provision for settlement	VIII.(1)	10,008,530,100.51	10,030,221,447.11	10,040,230,707.1
△ Lending funds				
☆Trading financial assets	VIII.(2)	5,605,707,412.24	4,659,341,245.06	
Financial assets at fair value through profit or loss	VIII.(2)	3,003,707,412.24	4,033,341,243.00	1,074,683,302.3
Derivative financial asset				1,074,003,302.3
Notes receivable	VIII.(3)	501,115,238.12	125,571,861.69	125,602,786.7
Accounts receivable	VIII.(4)	2,032,104,840.47	1,259,014,008.35	1,355,628,734.7
Receivables financing	VIII.(5)	38,248,609.68	1,233,014,000.33	1,333,020,734.7
Prepayments	VIII.(6)	3,869,003,433.47	3,559,065,881.17	3,559,065,881.1
△ Premium receivable	VIII.(0)	3,863,063,433.47	3,333,003,001.17	3,333,003,001.1
△ Reinsurance accounts receivable	1		-	
△ Reinsurance reserves receivable	1			
Other receivables	VIII.(7)	13,093,623,156.39	10,711,591,478.68	12,210,308,038.6
Including: Dividend receivables	Viiii(i)	527,967.72	121,840.00	121,840.0
△Buying back the sale of financial assets		327,307772	222,040.00	222,010.0
Inventory	VIII.(8)	9,463,001,405.00	9,044,592,618.94	9,044,592,618.9
Including: Raw materials	· · · · · · · · · · · · · · · · · · ·	106,039,869.28	2,753,397.78	2,753,397.7
Goods in stock (finished goods)		4,057,615,909.59	3,802,327,117.52	3,802,327,117.5
★Contract assets		4,037,023,303.33	3,002,327,127.32	J,00E,0E7,117.5
Assets held for sale	VIII.(9)	6.369,215.93	8,864,560.00	8,864,560.00
Non-current assets due within 1 year	VIII.(10)	1,075,415,051.91	765,270,032.56	767,685,487.5
Other current assets	VIII.(11)	23,721,880,391.24	28,880,036,432.84	34,447,966,657.9
Total current assets	AHITTI	70,074,998,915.36	69,651,569,566.40	73,234,654,835.2
fotal current assets for a current assets		70,074,350,313.30	04.000,200,400	/ 5,650,4600,4653.2
△ Loans and advances		-		
☆ Debt investments	VIII.(12)	7,191,437,514.44	6,764,088,244.18	
Available-for-sale financial assets	VIII.(12)	7,131,437,314.44	0,704,000,244.10	15,509,486,662.0
★Other debt investments				13,303,480,002.0
Held-to-maturity investments				
Long-term receivables	VIII.(13)	37,576,518,214.68	30,901,163,305.45	30,950,007,905.0
Long-term receivables Long-term equity investments	VIII.(14)	9,952,498,609.21	9,484,570,876.48	9,619,177,115.7
	VIII.(15)	5,648,005,301.00	5,581,037,463.35	9,019,177,113.7
☆Investments in other equity instruments	VIII.(16)	6,251,595,747.35	5,409,912,510.93	
★Other non-current financial assets Investment properties				1 475 204 077 4
Fixed assets	VIII.(17)	978,751,183.79	1,475,304,977.49	1,475,304,977.4
	VIII.(18)	4,112,640,415.51	2,823,953,044.51	2,823,953,044.5
Including: Original cost of fixed assets	-	8,938,846,920.62	4,857,824,154.86	4,857,824,154.80
Accumulated depreciation		4,762,328,335.06	2,033,956,366.48	2,033,956,366.4
Provision for impairment of fixed assets	1/III (40)	64,210,505.94	23,341.58	23,341.5
Construction in progress	VIII.(19)	3,446,121,902.81	3,148,380,488.06	3,148,380,488.0
Productive biological assets	VIII.(20)	1,099,897.73	1,198,191.22	1,198,191.2
Oil and gas assets	Num (pa)	70 455 700 07	74 574 055 07	
☆Right-of-use assets	VIII.(21)	79,456,730.87	71,531,366.07	4 240 227 252 7
Intangible assets	VIII.(22)	2,043,523,774.44	1,218,837,859.71	1,218,837,859.7
Development costs Goodwill	VIII.(23)	40,052,980.21	338,431.95 3,018,450,868.63	338,431.99 3,018,450,868.63
	VIII.(24)	5,371,362,046.63		
Long-term prepayments	VIII.(25)	112,187,763.16	62,639,551.57	62,639,551.5
Deferred tax assets	VIII.(26)	2,254,690,008.35	2,193,948,782.92	647,171,498.23
Other non-current assets	VIII.(27)	524,504,489.60	498,191,320.15	4,078,308,642.20
Including: Authorized reserve materials	-	05 504 445 570 70	70.552.547.000.57	73 553 355 335 4
Total non-current assets		85,584,446,579.78	72,653,547,282.67	72,553,255,236.4
		10		

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Consolidated Balance Sheet (continued)

June 30th, 2021

VIII.(28) VIII.(29) VIII.(30) VIII.(31) VIII.(32)	1,054,293,414.90 1,269,708,580.64 845,784,135.09 1,088,131,481.53	398,559,721.44 546,434,234.38 837,455,288.25 1,219,820,827.59	398,559,721.4 546,434,234.2 2,057,276,115.8
VIII.(29) VIII.(30) VIII.(31) VIII.(32)	1,054,293,414,90 1,269,708,580.64 845,784,135.09	398,559,721.44 545,434,234.38 837,455,288.25	398,559,721. 546,434,234.
VIII.(29) VIII.(30) VIII.(31) VIII.(32)	1,054,293,414,90 1,269,708,580.64 845,784,135.09	398,559,721.44 545,434,234.38 837,455,288.25	398,559,721. 546,434,234.
VIII.(30) VIII.(31) VIII.(32)	1,269,708,580.64 845,784,135.09	546,434,234.38 837,455,288.25	546,434,234.3
VIII.(30) VIII.(31) VIII.(32)	1,269,708,580.64 845,784,135.09	546,434,234.38 837,455,288.25	546,434,234.
VIII.(30) VIII.(31) VIII.(32)	1,269,708,580.64 845,784,135.09	546,434,234.38 837,455,288.25	546,434,234.
VIII.(30) VIII.(31) VIII.(32)	1,269,708,580.64 845,784,135.09	546,434,234.38 837,455,288.25	546,434,234.
VIII.(30) VIII.(31) VIII.(32)	1,269,708,580.64 845,784,135.09	546,434,234.38 837,455,288.25	546,434,234.
VIII.(30) VIII.(31) VIII.(32)	1,269,708,580.64 845,784,135.09	546,434,234.38 837,455,288.25	546,434,234.
VIII.(31) VIII.(32)	845,784,135.09	837,455,288.25	
VIII.(32)			2 057 776 116
	1,088,131,481.53	1,219,820,827.59	2,037,270,115.
VIII.(33)			
	355,586,408.06	318,034,937.68	318,034,937
	286,592,213.47	258,150,451.55	258,150,451
	5,778,095,91	4,149,078.16	4,149,078
VIII.(34)	1,199,301,449.74	1,712,543,766.75	1,712,928,766
	1,190,509,568.63	1,700,478,828.81	1,700,863,828
VIII.(35)	7,780,353,983.48	8,571,399,596.63	8,571,399,596
	177,075,191.25	194,545,570.04	194,545,570
	1		
VIII.(36)	7,093,501,322.06	13,178,571,848.24	13,178,571,848
VIII.(37)	37,974,213,212.93	30,729,875,608.59	30,729,875,608
,	67,607,211,090.66	62,167,699,445.91	62,168,084,445
	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
VIII (38)	22 898 008 736 06	20 293 227 080 66	20,293,227,080
			20,818,719,860
VIII.(33)	23,243,130,252.40	20,618,715,800.50	20,010,713,000
VIII (40)	115 400 550 05	121 252 105 02	
			2 560 205 400
			3,568,305,180
			42,810,991.
			28,338,818.
			269,232,673.
			12,599,087.
VIII.(45)	17,219,732.00	17,119,732.00	17,119,732.
			45,050,353,426
	120,708,662,731.01	107,347,807,998.81	107,218,437,872
			-
VIII.(46)	7,560,000,000.00	4,310,963,080.16	4,310,963,080
	7,560,000,000.00	4,310,963,080.16	4,310,963,080
	7,560,000,000.00	4,310,963,080.16	4,310,963,080
VIII.(47)	4,600,000,000.00	4,600,000,000.00	4,600,000,000
	4,600,000,000.00	4,600,000,000.00	4,600,000,000
VIII.(48)			6,641,513,878
	5,555,250,7250,73	.,,,	-,,,
	-39,368,573,16	-40.343.277.35	-31,517,815
			-26,803,432
VIII (AQ)			3,117,081
			22,372,098
4111/20)			22,372,098
	302,382,923.77	22,372,098.54	22,372,098
American I		******	
	650,056,004.16		650,056,004
VIII.(52)	299,058,798.60	3,133,403,445.84	4,328,098,603
	20,088,499,830.83	19,321,082,310.90	20,524,602,931
	14,862,282,933.30	15,636,226,539.36	18,044,869,268
	34,950,782,764.13	34,957,308,850.26	38,569,472,199
	155,659,445,495.14	142,305,116,849.07	145,787,910,071
of accounting:	Head of ac	counting department:	والمر با با
	712		Ѫ╁┃
	tata 4		
	- Ye		出家
	VIII.(36) VIII.(37) VIII.(37) VIII.(38) VIII.(39) VIII.(40) VIII.(41) VIII.(42) VIII.(42) VIII.(43) VIII.(44) VIII.(45) VIII.(46) VIII.(47) VIII.(48) VIII.(49) VIII.(50)	S,778,095,91	S,778,095.91



Parent Company's Balance Sheet

June 30th, 2021

repared by: Wurlan Financial Holdings (Group) Co., Ud.	Note	June 30th, 2021	Janurary 1st, 2021	Unit: RMB yua December 31st, 2020
rrent assets: Cash and cath equivalents △ Provision for settlement		2,687,584,049.63	2,699,519,184.19	2,699,519,184.1
1 Lending funds			*	
ATrading financial seets Financial assets at its value through profit of loss				191,350.0
Derivative financial assets				191,330.
Notes receivable Accounts receivable				20.7544
Receivables financing				30,754
Prepayments		594,405.35	577,149.35	577,149.
△ Premium receivable △ Reinsurance accounts receivable	1			
△ Reinsurance reserves receivable				
Other receivables Including: Dividend receivables	XII. (1)	15,540,298,816.90	15,736,561,339.83	13,749,257,377.
△Buying back the sale of financial assets			1,995,567,400.00	
Inventory		309,518.00	309,518.00	309,518.
Including: Raw materials Goods in stock (finished goods)				
☆ Contract assets				
Assets held for sale				
Non-current assets due within 1 year Other current assets		918,724.45		
Total current assets		18,229,705,514.33	18,436,967,191.37	16,449,885,332.8
n-current assets: △ Loans and advances	-			-
★Debt investments				
Available-for-sale financial assets				6,541,615,588.
☆Other debt investments Held-to-maturity investments				
Long-term receivables				
Long-term equity investments	XII. (2)	23,835,693,012.71	21,093,544,841.67 5,480,600,000.00	19,743,344,841.
화Other non-current financial assets		5,480,600,000.00 3,260,890,791.53	2,395,166,166.21	
Investment properties				
Fixed assets Including: Original cost of fixed assets		104,931,241.32 167,084,945.20	103,640,737.54 166,302,040.59	103,640,737. 166,302,040.
Accumulated depreciation		62,153,703.88	62,661,303.05	62,661,303.0
Provision for impairment of fixed assets Construction in progress				
Productive biological assets				
Oil and gas assets				
☆Right-of-use assets Intangible assets				
Development costs				
Goodwill Long-term prepayments				
Deferred tax assets		64,177.50	64,177.50	64,177.5
Other non-current assets				
Including: Authorized reserve materials Total non-current assets		32,682,179,223.06	29,073,015,922.92	26,388,665,344.8
Total assets al Representative: Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y	charge of accounting:	50,911,884,737.39 Head	47,509,983,114.29 of accounting department:	42,838,550,677,
748515		12147		杯木

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Parent Company's Balance Sheet (continued)

June 30th, 2021

ltem	Note	June 30th, 2021	Janurary 1st, 2021	December 31st, 2020
urrent liabilities: Short-term loans		3,060,000,000.00	1,600,000,000.00	1,600,000,000.
△ Bo rowings from central bank		3,060,000,000 00	1,000,000,000.00	1,000,000,000.
△ Borrowing funds				
☆Trading houndal liabilities.				
Financial liabilities at fair value through profit or loss				
Derivative financial Indulities				
Note payable		400,000,000	450 530 24	450.530
Accounts payable Advances from customers		160,425.00	159,579.24	159,579 1,292,278
★Contract liabilities		430,613.65	1,292,278.73	1,292,276
△ Financial assets sold for repurchase				
△ Deposits from customers and interbank				
\triangle Funds arising from acting trading of securities				
Δ Funds arising from acting underwriting securities				
Employee benefits payable		11,116,792.88	9,917,963.61	9,917,963
Including: Wages payable		1 225 450 24		
Welfare benefits payable #Including: staff and workers' bonus and welfare fund		1,225,159.34		
Taxes payable		439,166.27	5,914,011.96	5,914,011
Including: Tax payable		438,909.96	5,826,477.21	5,826,477
Other payables		2,132,744,087.82	1,904,043,172.88	1,904,043,172
Including: dividend payables				
△ Handling charges and commissions payable				
△ Reinsurance accounts payable				
Liabilities held for sale				
Non-current liabilities due within 1 year Other current liabilities		3,292,360,000.00	3,012,594,932.32	3,012,594,932
Current Habilities		8,497,251,085.62	6,533,921,938.74	6,533,921,938
on-current liabilities:		6,437,231,063.02	0,333,321,330.74	0,333,321,330
△ Reserve for insurance contracts				
Long-term borrowings		6,206,400,000.00	7,406,000,000.00	7,406,000,000
Bonds payable		17,611,067,048.26	15,030,851,211.27	15,030,851,211
Including: Preferred shares				
Perpetual bonds				
★Lease liabIlities		454 670 404 77	177 202 007 56	477 302 007
Long-term payables Long-term empolyee benefits payable		154,673,181.77	177,382,097.56	177,382,097
Estimated liabilities		4,188,969.20	4,188,969.20	
Deferred income		1,250,505,20	(,000,000.00	
Deferred tax liabilities				
Other non-current liabilities				
Including: Authorized reserve fund				
Non-current liabilities		23,976,329,199.23	22,618,422,278.03	22,614,233,308
Total liabilities		32,473,580,284.85	29,152,344,216.77	29,148,155,247
wner's equity (or shareholers'equity): Paid-in capital (or share capital)		7,560,000,000.00	4,310,963,080.16	4,310,963,080
State-owned capital		7,300,000,000.00	4,510,505,666,10	4,310,303,000
State-owned corporate capital		7,560,000,000.00	4,310,963,080.16	4,310,963,080
Collective capital				
Private capital				
Foreign capital				
# Less: Returned capital				
Net paid-in capital (or share capital)		7,560,000,000.00	4,310,963,080.16	4,310,963,080
Other equity instruments		4,600,000,000.00	4,600,000,000.00	4,600,000,000
Including: Preferred shares Perpetual bonds		4 600 000 000 00	4,600,000,000.00	4 600 000 000
Capital reserve		4,600,000,000.00 5,889,141,634.54	5,889,141,634.54	4,600,000,000 5,889,141,634
Less: Treasury shares		3,503,111,031.31	5,555,212,65 No 1	3,003,212,001
Other comprehensive income		-22,864,311.09	-22,864,311.09	-29,884,198
Including: Translation differences of foreign currency statement				
Special reserve				
Surplus reserve		382,382,923.77	22,372,098.54	22,372,098
Including: Statutory provident fund		382,382,923.77	22,372,098.54	22,372,098
Discretionary provident fund			-	
# Reserve fund				
# Enterprise development fund # Profit repatriation investment				
A Profit repatriation investment △ General risk reserve			- A	
Retained earnings		29,644,205.32	3,558,026,395.37	-1,102,197,184
Total owner's equity (or shareholer's equity)		18,438,304,452.54	18,357,638,897.52	13,690,395,430
Total liabililes and owner's equity (or shareholer's equity)		50,911,884,737.39	47,509,983,114.29	42,838,550,677
gal Representative 2 24/5 in charge of acc	counting:	Head of ac	counting department:	林宋印家



Consolidated Income Statement

Six months ended June 30th, 2021

lteM	Note	Amount for current period	Amount for prior period
Total operating revenue		23,247,074,945,95	12,257,597,410.
Including: Operating to be	VIII. (53)	23,247,074,945.95	12,257,597,410.
Anteres incom			
Affandling charges and compussion income			
Total operating cost		22,673,591,927.91	12,133,531,238
Including: Directing cost		19,791,895,003.89	9,265,374,956.
△Interest expenses		275,911.78	
△Handling charges and commission expenses			
△Surrender value			
△Net expenditure for compensation payments			
△ Net amount of provision for insurance contract			
△Bond insurance expense			
△Reinsurance costs Tax and surcharges		83,106,270.86	56,747,748.
Selling expenses		150.124,306.85	146,575,195.
General and administrative expenses		660,545,170.49	535,253,380.
Research and development expenses		40,432,914.39	8,837,434.
Financial expenses		1,947,212,349.65	2,120,742,522.
Including: Interest expenses		2,023,814,337.58	
Interest income		33,961,127.04	
Exchange net loss (Net income is marked		-27,052,554.20	
Other			
Add: Other gains		30,918,096.30	52,709,514.
Gain from investment (Losses are marked with "-")	VIII. (54)	876,578,263.20	1,040,169,983.
Including: Investment income from associates and			226,080,489.
int ventures		190,972,365.98	220,000,489.
△Exchange earnings (Losses are marked with "-")			
Income from change in fair value (Losses are marked	VIII. (55)	60,726,593.39	176,265.
ith "-")			
☆Credit impairment losses (Losses are marked with "-")	VIII. (56)	62,760,367.98	210 007 004
Asset impairment loss (Losses are marked with "-") Gain on disposal of assets (Losses are marked with "-")	VIII. (57)	-1,390,852.51 2,573,432.59	-219,987,994. 112,012,055.
Operating profit (Losses are marked with "-")		1,605,648,918.99	1,109,145,995
Add: Non-operating income	VIII. (58)	42,523,026.17	3,929,254.
Including: Government grants		38,176,081.70	46,794.
Less: Non-operating expenses	VIII. (59)	84,170,229.46	34,662,709.
. Total profits (Total losses are marked with "-")		1,564,001,715.70	1,078,412,540.
Less: Income tax expenses		393,238,635.50	318,929,354.
Net profits (Net losses are marked with "-")		1,170,763,080.20	759,483,186.
(1) Classified by ownership		990,655,397.83	554,668,845.
Net profit attributable to owners of parent company *Minority interest income		180,107,682.37	204,814,340.
(2) Classified by business continuity		180,107,002.57	204,014,040.
Net profits from continuing operations		1,170,763,080.20	759,483,186.
Net profits of discontinuing operations			
. Other comprehensive income, net of tax		963,555.56	-520,044,941.
et after-tax amount of other comprehensive income attributable to		974,704.19	-317,456,928.
e owner of the parent company			,
(1)Other comprehensive income can not subsequently transferred to		489,786.67	
rofit or loss		-	
1.changes in remeasured defined benefit plans 2.Other comprehensive income not allowed to be reclassified			
to profit or loss under the equity method			
★3.Changes in fair value of other equity instrument investments		489,786.67	
4.Others			
(2)Other comprehensive income can subsequently transferred to		404.017.53	217 456 020
ofit or loss		484,917.52	-317,456,928.
1.Other comprehensive income allowed to be reclassified into			
ofit or loss under the equity method			
\$\ddot 2. Profit and loss from changes in fair value of other debt			
vestments			
3.Gains and losses on fair value changes in available-for-sale			-307,172,393.
nancial assets A Amount of financial assets reclassified into other			
mprehensive income 5.Gains and losses for held-to-maturity investments that are			
classified into available-for-sale financial assets			
★ 6.Provision for credit impairment of other debt investments			
7.Cash flow hedge reserve (The portion of the G/L on the			
dging instrument that is determined to be an effective hedge)			
8. Foreign currency translation differences		484,917.52	-10,284,534.
9.Others			
Net after-tax amount of other comprehensive income attributable		-11,148.63	-202,588,013.
minority shareholders			
I. Total comprehensive income Total comprehensive income attributable to the owner of the		1,171,726,635.76	239,438,244.
rent company		991,630,102.02	237,211,917.
Total comprehensive income attriutable to minority shareholders		180,096,533.74	2,226,326
Earnings per share:		227,000,000,74	- April 1920
(1) Basic earnings per share			
(2) Olluted earnings per share			
gal representative Pylicipal in charge of acco	ounting:	Head of accounting	g department:
		7. 1	木木
7 11 24 11		AN P	
748610		44147	TYP.
7. 4. 5.45	6	100 AT	



Parent Company's Income Statement

Six months ended June 30th, 2021

Prepared by: Wuman Financial Holdings (Group Co., Ltd.	Note	Amount for current period A	Currency: RMB Yua mount for prior period
. Total operating revenue	14016	125,238,210.85	61,739,102.1
		125,238,210.85	61,739,102.:
Includings Operating income		123,238,210.83	01,733,102.
△Interest income		-	
A Premiums earned			
Alandling charges and commission income			
I. Total operating cost		194,873,869.82	434,278,371.
Including: Operating cost			
△Interest expenses			
△ Handling charges and commission expenses		-	
△Surrender value			
△Net expenditure for compensation payments			
△Net amount of provision for insurance contract			
△Bond insurance expense			
△Reinsurance costs		1	
		1,371,959.02	685,807.
Tax and surcharges		1,371,333.02	003,007.
Selling expenses		04 677 640 50	25 040 276
General and administrative expenses		31,677,612.52	25,949,276.
Research and development expenses			
Financial expenses		161,824,298.28	407.643.288.2
Including: Interest expenses		186,370,220.15	347,564,780.0
Interest income		14,406,232.29	12,074,408.8
		14,400,232.23	12,0, 1,100.
Exchange net loss (Net income is		-28,638,133.02	45,653,408.9
marked with "-")			
Other		. /	
Add: Other gains			

Gain from investment (Losses are marked with "-")		300,315,571.04	207,154,534.5
Indication, torrespond to a conference of			
Including: Investment income from associates		72,148,171.04	131,724,417.
and joint ventures		,,	
△Exchange earnings (Losses are marked with "-")			
Income from change in fair value (Losses are		65 704 605 04	
marked with "-")		65,724,625.34	
☆Credit impairment losses (Losses are marked with			
· · ·			
_H)			
Asset impairment loss (Losses are marked with "-")			30,000,000.0
Asset impairment loss (cosses are marked with /			,,
Gain on disposal of assets (Losses are marked with		240 500 70	
(20)		213,608.72	
·		296,618,146.13	-135,384,734.8
III. Operating profit (Losses are marked with "-")			133,364,734.6
Add: Non-operating income		486.73	
Including: Government grants			
Less: Non-operating expenses		777.84	31,191,469.
V. Total profits (Total losses are marked with "-")		296,617,855.02	-166,576,204.0
Less: Income tax expenses			
/. Net profits (Net losses are marked with "-")		296,617,855.02	-166,576,204,
		296,617,855.02	-166,576,204.
(1) Profits from continuing operations		290,017,033.02	-100,370,204.
(2) Profits of discontinuing operations			
V. Net after-tax amount of other comprehensive income			
(1)Other comprehensive income can not subsequently			
ransferred to profit or loss			
1.changes in remeasured defined benefit plans			
2.Other comprehensive income not allowed to be			
eclassified into profit or loss under the equity method			
nvestments			
4.Others			
(2)Other comprehensive income can subsequently transferred			
o profit or loss			
1.Other comprehensive income allowed to be reclassified			
nto profit or loss under the equity method			
★2.Profit and loss from changes in fair value of other debt			
nvestments			
3.Gains and losses on fair value changes in available-for-			
ale financial assets			
☆ 4.Amount of financial assets reclassified into other			
omprehensive income			
5.Gains and losses for held-to-maturity investments that			
re reclassified into available-for-sale financial assets			
★ 6.Provision for credit impairment of other debt			
nvestments			
7.Cash flow hedge reserve (The portion of the G/L on the			
edging instrument that is determined to be an effective hedge)			
8. Foreign currency translation differences			
9.Others			
/II. Total comprehensive income		1,070,672,011.59	-166,576,204.
'III. Earnings per share:			
(1) Basic earnings per share			

Legal representative: 24/5

rincipal in charge of accounting

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林宋印家

Consolidated Cash Flow Statement Six months ended June 30th, 2021

nount for prior period period period 24,287,895,780.04 13,006,516,310.75	Item Cash received from the return of investment Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets.	Amount for current period 183,504,768.91 3,840,118.86	Amount for prior period 216,078,366.12
13,006,516,310.75	Cash received from the return of investment Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	3,840,118.86	216,078,366.12
13,006,516,310.75	Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	3,840,118.86	
	The state of the s		1,336,613.00
	Net cash received from disposal of subsidiaries and other business units	31,148,853.99	364,996,781.66
	Cash received related to other investing activities	453,531,399.29	21,441,838.15
	Subtotal of cash inflow from investing activities	3,247,269,429.36	4,554,690,657.27
	Cash paid for the acquisition of fixed assets, intangible assets and other lone-term assets	309,995,430.32	244,094,581.60
	Cash paid for investment	6,278,687,383.24	7,086,757,311.20
	△Net increase in pledged loans		
	Net cash paid by subsidiaries and other business units	-179,467,084.49	20,576,478.14
	Cash paid related to other investing activities	657,178,898.60	
	Subtotal of cash outflows from investing activities	7,066,394,627.67	7,351,428,370.94
	Net cash flow from investing activities	-3,819,125,198.31	-2,796,737,713.67
	II. Cash flow from financing activities:		
6,735,955.80 7,548,672.63	Cash received from external investment	1,051,430,000.00	500,000,000,000
79,501,315,647.17 11,595,587,465.99	Including: Cash received by subsidiaries from minority shareholders' investment	5,250,000.00	
1 24,609,652,449.37	Cash received from loans granted	17,965,392,259.47	14,266,090,059.89
2 11,141,639,781.10	△ Cash received from bonds issued		
	Cash received relating to other financing activities	5,983,198,493.38	6,893,571,797.41
	Subtotal cash inflow from financing activities	25,000,020,752.85	21,659,661,857.30
	Payment of debt in cash	16,942,749,365.10	14,198,124,363.60
	Cash used to pay dividends, profits, or interest payments	2,795,643,364.36	2,321,609,039.42
	Including: Dividends and profits paid to minority interests by subsidiaries	3,192,083.34	
	Cash paid related to other financing activities	2,379,865,761.73	79,778,482.87
720,905,367.34 499,916,330.98	Subtotal cash outflow from financing activities	22,118,258,491.19	16,599,511,885.89
1,564,213,561.46 673,461,367.66	Net cash flow from financing activities	2,881,762,261.66	5,060,149,971.41
80,289,765,312.95 15,574,115,988.63	 Impact of exchange rate fluctuations on cash and cash equivalents 	-258,658.92	-182,801.25
103,087,265,029.17 27,889,133,468.37	V. Net increase in cash and cash equivalents	-228,939,241.73	-1,016,251,562.51
708,682,353.84 -3,279,481,019.00	Add: Balance of cash and cash equivalents at the beginning of the period	10,290,993,515.83	11,483,541,589.56
1	VI. Balance of cash and cash equivalents at the end of the period	10,062,054,274.10	10,467,290,027.05
2,575,244,288.31 3,950,837,058.34			
Principal in charge of accounting:	Head of accounting department:	1	
	7,548,672.63 5,595,587,465.99 609,652,449.37 1,141,639,781.10 5,74,115,988.63 7,279,481,019.00		Cash paid related to other investing activities Subtotal of cash outflows from investing activities Net cash flow from investing activities (Cash received from external investment Including: Cash received from external investment Cash received from loans granted Cash received from bonds issued Cash received from bonds issued Cash received from loans granted Cash received relating to other financing activities Payment of debt in cash Cash used to pay dividends, profits, or interest payments Including: Dividends and profits paid to minority interests by subsidiaries Cash paid related to other financing activities Cash paid related to other financing activities Net cash flow from financing activities N. Impact of exchange rate fluctuations on cash and cash equivalents V. Net increase in cash and cash equivalents at the beginning of the period Add: Balance of cash and cash equivalents at the end of the period W. Balance of cash and cash equivalents at the end of the period W. Balance of cash and cash equivalents at the end of the period W. Balance of cash and cash equivalents at the end of the period W. Balance of cash and cash equivalents at the end of the period

Parent Company's Cash Flow Statement Six months ended June 30th, 2021

trem	Amount for current period	Amount for prior period	ltem	Amount for current period	Amount for prior period
.Cash flow arising from operating activities.			Cash received from the return of investment	2,192,906,000.00	75,479,153.46
Cash received from sales of goods or rendening services	9,166,856.56	64,541,766.03	Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	264,000.00	
ΔN et increase in customer deposits and interbank deposits			Net cash received from disposal of subsidiaries and other business units		
△Net increase in borrowing from the central bank			Cash received related to other investing activities		
△Net increase in borrowing from other financial institutions			Subtotal of cash inflow from investing activities	2,193,170,000.00	375,479,153.46
Δ Cash received for original insurance contract premiums			Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets	2,123,791.29	259,324.47
△Net cash received from reinsurance business			Cash paid for investment	3,469,999,999.98	300,000,000,000
△Net increase in funds and investments for policyholders			△Net increase in pledged loans		
△Net increase in disposals of financial assets measured at fair value through profit or loss			Net cash paid by subsidiaries and other business units		
△Cash for interest, fees and commissions			Cash paid related to other investing activities		
△Net increase in borrowing funds			Subtotal of cash outflows from investing activities	3,472,123,791.27	300,259,324.47
△Net increase in funds from repurchased business			Net cash flow from investing activities	-1,278,953,791.27	75,219,828.99
△Net cash received from agency trading of securities			III.Cash flow from financing activities:	1	
Received tax refunds			Cash received from external investment		500,000,000,000
Cash received related to other operating activities	6,471,541,540.28	2,757,054,682.98	Including: Cash received by subsidiaries from minority shareholders' investment		
Subtotal of cash inflow from operating activities	6,480,708,396.84	2,821,596,449.01	Cash received from loans granted	4,452,000,000.00	5,150,000,000.00
Cash paid for the purchase of goods and services	217,344.24		1,332,724.67 △ Cash received from bonds issued		
△Net increase in customer loans and advances			Cash received relating to other financing activities	4,562,269,857.17	2,900,000,559.27
△Net increase in central bank and interbank deposits			Subtotal cash inflow from financing activities	9,014,269,857.17	8,550,000,559.27
△Cash payment of original insurance contract benefits			Payment of debt in cash	3,721,550,000.00	4,371,949,409.26
△Net increase in funds disbursed			Cash used to pay dividends, profits, or interest payments	857,247,158.49	667,157,497.06
△Cash payment of interest, fees and commissions			Including: Dividends and profits paid to minority interests by subsidiaries		
△Cash paid for policy dividends			Cash paid related to other financing activities	2,226,048,739.35	27,405,760.48
Cash paid to and for employees	17,168,457.85	15,944,370.17	Subtotal cash outflow from financing activities	6,804,845,897.84	5,066,512,666.80
Taxes paid	10,232,566.45		Net cash flow from financing activities	2,209,423,959.33	3,483,487,892.47
Cash paid related to other operating activities	7,395,491,863.94		6,210,037,652.18 W. Impact of exchange rate fluctuations on cash and cash equivalents	-3,466.98	5,191.03
Subtotal of cash outflows from operating activities	7,423,110,232.48		6,230,894,510.96 V. Net increase in cash and cash equivalents	-11,935,134.56	149,414,850.54
Net cash flow from operating activities	-942,401,835.64	-3,409,298,061.95	Add: Balance of cash and cash equivalents at the beginning of the period	2,699,519,184.19	2,870,747,888.56
II.Cash flow from investment activities:			VI. Balance of cash and cash equivalents at the end of the period	2,687,584,049.63	3,020,162,739.10
Cash received from disinvestment		300,000,000,000			

Head of accounting department:

Principal in charge of accounting:



Consolidated Statement of Changes in Equity

The state of the s							Am	Amount for current period	TO.					
A					Share	sholder's equity	Shareholder's equity belonging to the parent company	отрапу						
別を変える		Othe	Other equity instruments			Less	Other comments						Non Controlling Interest	Dange's equity
N N	Poid-in capital	Professed Shares	Perpetual bonds	Others	Capital reserve	treatury stock		Special reserve	Surplus reserve	∆General risk reserves	Undistributed profits	Subtotal		
Septition number	1	2	8	*	\$	9	7	00	6	10	11	12	13	14
1. b/d	4,310,963,080 16		4,500,000,000 00		6,641,513,878 05		-31,517,815.05	3,117,081.50	22,372,098 54	650,056,004.16	4,328,098,603.86	20,524,602,931 22	18,044,869,268.15	38,569,472,199 37
Add: Accounting to the change							-8,825,462 30				-1,194,695,158.02	-1,203,520,620 32	-2,408,642,728 79	-3,612,163,349 11
Error correction in the brian pariod														
Others														
2, Current year beginning balance	4,310,963,080 16		4,600,000,000 00		6,641,513,878 05		-40,343,277.35	3,117,081 50	22,372,098 54	650,056,00A 16	3,133,403,445.84	19,321,082,310.90	15,636,226,539 36	34,957,308,850 26
3, Current year movement(Less will show as "-")	3,249,036,919 84				-8,306,717 26		974,704 19	46,435 17	360,010,825 23		-2,834,344,647 24	767,417,519 93	-773,943,606 06	-6,526,086 13
(1) Total comprehensive income							974,704 19				990,655,397 83	991,630,102 02	180,096,533 74	1,171,726,635 76
(2) Shareholder investment and redution of capital					3,691,176 79							3,691,176 79	-144,373,093.99	-140,681,917 20
1 Shareholder's ordinary share													-1,468,524,310,49	-1,468,524,310,49
2 Other equity instrument holder's investment													-453,800,000 00	-453,800,000 00
3. Dividends payable into shareholder's equity amount														
4 Others					3,691,176 79							3,691,176 79	1,777,951,216.50	1,781,642,393,29
(3) Special resonue								46,435 17				46,435 17		46,435 17
1. Extract special reserve								1,936,051 70				1,936,051 70		1,936,051 70
2. Use of special reserve								-1,889,616 53				-1,889,616 53		-1,889,616.53
(4) Profit distribution									360,010,825 23		-575,963,125 23	-215,952,300.00	+19,717,345.49	-235,669,645.49
1 Extract surplus reserve									360,010,825,23		-360,010,825 23			
Including: legal accumulation fund									360,010,825 23		-360,010,825 23			
Optronal accumulation fund														
#Reserve fund														
#Enterprise expension fund														
rCapital redemptron														
2 Withdrawal of general risk provision														
3 Distribution to owners (or shareholders)											.70,022,300 DO	-70,022,300 00	-19,717,345 49	-89,739,645.49
4 Others											-145,930,000.00	-145,930,000.00		-145,930,000.00
(5) Shareholder's equity internal transfer	3,249,036,919 84				-11,997,894 05						-3,249,036,919.84	.11,997,894,05	-789,949,700.32	-801,947,594.37
1 Capital reserve convert to capital														
2 Surplus reserve convert to capital														
3 Surplus reserve recover loss														
4 Changes in employee benefit plan convert to retained														
☆5 Other comprehensive income convert to retained earnings														
6.Others	3,249,036,919 84				-11,997,894 05						-3,249,036,919.84	-11,997,894.05	-789,949,700.32	-801,947,594.37
A. c/l	7,560,000,000 00		4,600,000,000 00		6,633,207,160 79		-39,368,573 16	3,163,516 67	382,382,923 77	650,056,004 16	299,058,798.60	20,088,499,830,83	14,862,282,933.30	34,950,782,764.13
Nature Add of the Vinical Information, and it for Vigoriphinosested in the Vigoriphinosested in	Management aid add or for contentries implementing the new financial instruments standards.	plementing the ne	w financial instruments s	Prin Prin	Principal in charge of accounting.		the state of the s	2.			Head of accounting:	林印		
							0							



(Continued)
Equity
Changes in
Statement of
Consolidated

一個													
TOTAL STATE	国				Sharehold	Shareholder's equity belonging to the parent company	parent company						
至	K	Othe	Other equity instruments	Contribution	Less:	Other comprehensive	Source (closed)	Section of the sectio	∆General risk	A description of the second of		Non Controlling Interest	Owner's equity
	1	Profestind Shares	Perpetual bonds Ott	Other		income	special reserves	surpius reserve	materves	Undistributed profits	MDIOITIN		
Columber	T.	2	8	4 5	9	2	8	6	10	11	12	13	14
1, b/d	V.0300,000,000.00		4,100,000,000,00	6,937,578,020 56	20 26	1,194,452,488.36	3,117,081 50	22,372,098 54	443,994,028 47	3,390,490,736.30	20,122,004,453 73	18,753,874,587 90	38,875,879,041,63
Add: Accounting paint a change													
Error correction in the prior period													
Others													
2. Current year beginning balance	4,030,000,000 00		4,100,000 000 00	6,937,578,020 56	20.56	1 194,452,488 36	3,117,081 50	22,372,098 54	443,994,028 47	3,390,490,736 30	20,122,004,453 73	18,753,874,587,90	38,875,879,041 63
3, Current year movement(Less will show as"-")	280,963,080.16		200,000,000 00	-296,064,142 51	12 51	-1,225,970,303 41			206,061,975 69	937,607,867 56	402,598,477 49	-709,005,319,75	-306,406,842,26
(1) Total comprehensive income						-1,225,970,303 41				1,387,999,843.25	162,029,539 84	-48,582,460.57	113,447,079 27
(2) Shareholder investment and redution of capital			200,000,000,002	12,429,757 65	57 65						512,429,757 65	-622,488,300,26	-110,058,542 61
1 Shareholder's ordinary share				17,457,623.14	23.14						17,457,623.14	477,399,960.57	-459,942,337.43
2 Other equity instrument holder's investment			200,000,000,00								200,000,000,000		200,000,000,000
3 Dividends payable into shareholder's equity amount													
4.Others				-5,027,865,49	65.49						-5,027,865 49	-145,088,339.69	-150,116,205 18
(3) Special maries													
1 extract special reserve													
2 use of special reserve													
4) Profit distribution				-27,530,820.00	20.00				206,061,975 69	-450,391,975 69	.271,860,820 00	-37,934,558.92	-309,795,378 92
L.Extract supplus resulted													
Including: legal accumulation fund													
Optional accumulation fund													
Hipparye fund:													
#Enterprise expension fund													
#Capital redemption													
2 Withdrawal of general risk provision									206,061,975 69	-206,061,975 69			
3 Distribution to owners (or shareholders)										-244,330,000 00	-244,330,000 00	-37,934,558 92	-282,264,558.92
4 Others				-27,530,820 00	20 00						-27,530,820 00		-27,530,820 00
(5) Shareholder's equity internal transfer	280,963,080 16			-280,963,080.16	180 16								
1 Capital reserve convert to capital	280,963,080 16			-280,963,080 16	180 16			1					
2 Surplus reserve convert to capital													
3 Surplus reserve recover loss													
4 Changes in employee benefit plan convert to retained arnings													
公5 Other comprehensive income convert to retained													
6 Others	4												
4.cf - 1 2 15 .	410,961,080,16		4,600,000,000 00	6,641,513,878.05	378 05	-31,517,815 0	3,117,081 50	22,372,098 54	650,056,004 16	4,328,098,603.86	20,524,602,931,22	18,044,869,268.15	38,569,472,199 37
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The stem					Shareholder's eq	luity belongir	Shareholder's equity belonging to the parent company	Aut				
有人	Paid-in capital	Othe	Other equity instruments Perpetual bonds	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special	Surplus reserves	∆General risk reserves	Undistributed profits	Owner's equity
Column number	1	2		4	v	٥	7	80	o	10	11	14
p/c T	4,310,963,080.16		4,600,000,000 00		5,889,141,634 54		-29,884,198 70		22,372,098 54		-1,102,197,184 44	13,690,395,430 10
Add: Accounting policies change							7,019,887 61				4,660,223,579.81	4,667,243,467.42
Error correction in the processoried												
Others												
2. Lurrent year beginning balance	4,310,963,080 16		4,600,000,000 00		5,889,141,634 54		-22,864,311.09		22,372,098 54		3,558,026,395,37	18,357,638,897 52
3. Current year movement(Less will show as"-")	3,249,036,919.84								360,010,825 23		-3,528,382,190 05	80,665,555 02
(1) Tota comprehensive income											296,617,855.02	296,617,855 02
(2) Sharzholder investment and redution of capital												
2. Shareholder's ordinary share												
. Other equity instrument holder's investment												
3. Dividends payable into shareholder's equity amount												
4. Others												
(2) Specal reserve												
_ extract special reserves												
ີ. use cf special reserves												
(4) Profit distribution									360,010,825 23		575,963,125 23	-215,952,300 00
1 Extract surplus reserve									360,010,825.23		-360,010,825 23	
Including: legal accumulation fund									360,010,825.23		-360,010,825 23	
Optional accumulation fund												
#Reserve fund												
#Enterprise expension fund												
#Capital redemption												
2 Withdrawal of general risk provision												
3 Distribution to owners (or shareholders)											-215,952,300 00	-215,952,300 00
4 Others												
(5) Shareholder's equity internal transfer	3,249,036,919 84										-3,249,036,919 84	
_ Capital reserve convert to capital												
2 Surplus reserves convert to capital												
3 Surplus reserves recover loss												
 Changes in employee benefit plan convert to retained annues 												
요즘 Other comprehensive income convert to retained earnings												
€ Others	3,249,036,919.84										-3,249,036,919.84	
4. c/f	7,560,000,000 00		4,600,000,000 00		5,889,141,634 54		-22,864,311 09		77 626,382,923 77		29,644,205.32	18,438,304,452 54
Noce: Ad 14, for fundial emergines and after foreign re- Legislam resembles	ested entarprises and add it it	or enterprises in	for enterprises implementing the new financial instruments standards. Principal in charge of acco	Principal in	cial instruments standards. Principal in charge of accounting:		5	به		Head of accounting:	林宋	
ノインンナー							1	2			101	

(Continued)
n Equity
Changes in
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	No.					Amor	Amount of prior period					
見り		oth.	Other equity instruments			Less:	-			∆General		
THE PERSON NAMED IN COLUMN TWO	Paid-in capital	Preferred		Others	Capital reserves	Treasury	Other comprehensive income	reserves	Surplus reserves	risk reserves	Undistributed profits	Owner's equity
Columbia	1	2	8	4	s,	٥	7	00	6	10	11	12
1.6/4	4,030,000,000.00		4,100,000,000 00	Ħ	6,169,971,209 90		6,020,834 30		22,372,098 54		-778,306,175 67	13,550,057,967 07
Add: Account or Miller's change												
Error correction to the prior period												
Others								i				
2. Current year Deginning balance	4,030,000,000.00		4,100,000,000.00		6,169,971,209.90		6,020,834 30		22,372,098 54		-778,306,175.67	13,550,057,967,07
3. Current year movement(Less will show as"-")	280,963,080.16		200,000,000 00		-280,829,575.36		-35,905,033.00				-323,891,008 77	140,337,463.03
(1) Total comp rehensive income							-35,905,033.00				-79,561,008 77	-115,466,041.77
(2) Shareholde - investment and redution of capital			200,000,000,000		133,504 80					j	10	500,133,504.80
1. Shareholdei's ordinary share												
2. Other equity instrument holder's investment			200,000,000,000									200,000,000,000
3 Dividends payable into shareholder's equity amount												
4. Others					133,504.80							133,504.80
(3) Special reserve												
1 extract special reserve												
2 use of special reserve												
(4) Profit distribution											-244,330,000,00	-244,330,000.00
1 Extract surplus reserve												
Including: legal accumulation fund												
Opticanal accumulation fund												
#Reserve fund												
#Enterprise expension fund												
#Capital redemption												
2 Withdrawal of general risk provision												
3. Distribution to owners (or shareholders)											-244,330,000.00	-244,330,000.00
4.Others												
(5) Shareholder's equity internal transfer	280,963,080 16				-280,963,080 16							
1 Capital reserve convert to capital	280,963,080 16				-280,963,080 16							
2, Surplus reserve convert to capital												
3, Surplus reserve recover loss												
4. Changes in employee benefit plan convert to retained earnings												
ならOther comprehensive income convert to retained earnings												
6 Others												
4.cff 7 7 8 1 A	4,310,963,080 16		4,600,000,000 00		5,889,141,634 54		-29,884,198 70		22,372,098 54	-1	-1,102,197,184 44	13,690,395,430 10

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the Financial Statements for Six Months Ended June 30th, 2021

(Unless otherwise specified, the amounts stated in the note are expressed in RMB yuan)

I. Background of the Company

1. Corporate history, place of registration, organization form, and address of HQ

Wuhan Financial Holdings (Group) Co., Ltd. (was formerly known as "Wuhan Economic Development Investment (Group) Co., Ltd.", hereinafter referred to as "the Company" and collectively referred to as "the Group" when including subsidiaries) is a wholly state-owned company approved by the General Office of Wuhan Municipal Party Committee and Government [2005], No. 28. It was formed by merger and reorganization of the state-owned equity of nine companies originally belonged to the Municipal Office and Bureau, namely Wuhan Development Investment Co., Ltd. (hereinafter referred to as "Development Investment Company"), Wuhan Communications Construction Investment Co., Ltd. (hereinafter referred to as "Communications Investment Company"), Wuhan State-owned Industry Investment Co., Ltd. (hereinafter referred to as "Industry Investment Company"), Wuhan Construction Investment Company (hereinafter referred to as "Construction Investment Company"), Wuhan Agricultural Investment Co., Ltd., Wuhan Torch Technology Investment Co., Ltd., Wuhan Yangtze River Economy United Development Co., Ltd. (hereinafter referred to as "Yangtze River Development Company"), Wuhan Venture Guarantee Co., Ltd. and Wuhan Minfa Credit Guarantee Co., Ltd. in August 2005. The Company is financed by the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People's Government, with a contribution ratio of 100%. On August 8th, 2015, the Company officially changed its name to "Wuhan Financial Holdings (Group) Co., Ltd."

The Company's registration number/unified social credit code is 91420100778164444G; the registered capital is RMB 10 billion; the paid-in capital is RMB 7.560 billion; the legal representative is Shen Zanxiong; the registered address: 77 Changjiang Daily Road, Jianghan District, Wuhan City.

2. Nature of business and main business activities

Equity investment and management in the financial industry; carry out investment business related to industrial structure adjustment such as energy, environmental protection, high-tech, urban infrastructure, agriculture, manufacturing, logistics, real estate, trade, tourism, hotel, etc.; Wholesale and retail of construction and decoration materials, metal and non-metal materials, agricultural and sideline products, machinery and electrical appliances;

warehouse service; non-financial equity investment and management; investment management consulting; enterprise management services; financial information and technology studies (business operations that are subject to examination and approval in accordance with the law may be carried out only after approval by the relevant departments)

Name of the ultimate controller

The ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government.

4. Term of operation

The operating period is perpetual.

II. Basis for the preparation of the financial statements

The Group's financial statements have been prepared on the basis of going concern assumptions and based on actual transactions and events in accordance with the Accounting Standards for Business Enterprises - Basic Standards issued by the Ministry of Finance (Ministry of Finance Decree No.33, amended by Ministry of Finance Decree No.76), 42 specific accounting standards issued and amended on February 15th, 2006 and thereafter, guidance on the application of Accounting Standards for Business Enterprises, interpretation of Accounting Standards for Business Enterprises (hereinafter collectively referred to as "Accounting Standards for Business Enterprises").

III. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of corporate accounting standards and give a true and complete view of the Group's financial position as at June 30th, 2021, and information relating to operating results and cash flows for six months ended June 30th, 2021.

IV. Significant accounting policies and accounting estimates

1. Accounting period

The Group's accounting period is from January 1st to December 31st.

2. Functional currency

The Group uses RMB Yuan as its functional currency.

3. Basis of bookkeeping and pricing principles

The Group's accounting is based on the accrual basis of accounting and is carried at historical cost, except for certain financial instruments which are measured at fair value.

4. Business combinations

Assets and liabilities acquired by the Group as combining party in business combination under common control are measured at the combined party's carrying amount in the consolidated statements of ultimate control at the date of combination. The capital reserve adjustments are made according to the difference between the carrying value of the net assets obtained and the carrying value of the consolidated consideration paid; retained earnings is adjusted if the capital reserve is insufficient to be written down.

The identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in the business combination under different control are measured at fair value on the acquisition date. The costs of the combination is the sum of the fair value of the cash or non-cash assets paid, liabilities issued or assumed, equity securities issued by the Group at the date of purchase in order to obtain control of the acquiree and all the direct related expenses incurred in the business combination (in a business combination achieved through multiple transactions, the combined cost is the sum of the costs of each individual transaction). The difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets obtained in the combination is recognized as goodwill. If the cost of the combination is less than the share of the fair value of the acquiree's identifiable net assets acquired in the combination, the fair value of each identifiable asset, liability and contingent liability acquired in the combination, as well as the fair value of the non-cash assets or equity securities issued of merger consideration are first reviewed; after the review, if the cost of the combination is still less than the fair value of the acquiree's share of the identifiable net assets acquired in the combination, the difference is recognized in the non-operating income of the current period.

- 5. Methodology for the preparation of the consolidated financial statements
- (1) Principles for determining the scope of the consolidated financial statements

The Group includes all controlled subsidiaries within the scope of consolidated financial statements.

(2) Principles, procedures and methods of preparation of consolidated financial statements

If, in preparing the consolidated financial statements, the subsidiaries do not conform to the accounting policies or accounting periods adopted by the Company, the subsidiaries' financial statements are adjusted as necessary in accordance with the Company's accounting policies or accounting periods.

All significant internal transactions, balances and unrealized profits within the scope of combination are eliminated in the preparation of the consolidated financial statements. The shares of owner's equity in subsidiaries that do not belong to the parent company and the shares of net income, other comprehensive income and total comprehensive income

attributable to minority equity are shown in the consolidated financial statements under the item "minority interests, minority gains and losses, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders" respectively.

For subsidiaries acquired through business combination under the same control, the results of operations and cash flows are included in the consolidated financial statements from the beginning of the period of combination. In preparing the comparative consolidated financial statements, the relevant items in the previous year's financial statements are adjusted as if the reporting entity resulting from the combination had been in existence since the point at which the ultimate controlling party began to control it.

In the case of a business combination that results from the acquisition of equity in investees under the same control obtained through multiple transactions step by step, adjustments are made in the consolidated financial statements as if they had been in existence in their current state at the time when the ultimate controlling party began to control. When preparing the comparative financial statements, consolidate the relevant assets and liabilities of the combined party into the comparative statements of the Group's consolidated financial statements to the extent not earlier than the point at which both the Group and the combined party are under the ultimate controlling party's control, and adjust the related items under owner's equity in the comparative statements for the increase in net assets resulting from the consolidation. In order to avoid double counting of the value of the combined party's net assets, on the date of acquisition of the original equity, the Group's long-term equity investments held prior to reaching combination and the recognized gains and losses, other comprehensive income and other changes in net assets between the date of combination and whichever date the Group and the combined party are in the ultimate control of the same party, shall be offset against opening retained earnings and current profits and losses, respectively, in the comparative statements period.

For subsidiaries acquired through business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Group acquires control. In preparing the consolidated financial statements, adjustments are made to the financial statements of subsidiaries based on the fair value of each identifiable asset, liability and contingent liability determined at the date of purchase.

In the case of a business combination that results from the acquisition of equity in investees not under the same control through multiple transactions step by step, the equity in the acquirees held before the date of purchase is remeasured at its fair value at the date of purchase when preparing the consolidated financial statements. The difference between the fair value and its carrying value is included in the current investment income. The relevant equity of the acquirees held prior to the purchase date that relates to other comprehensive

income under the equity method and other changes in owner's equity (not including net profits and losses, other comprehensive income, and profit distribution) is transferred to investment gains and losses in the current period at the date of purchase. Other comprehensive income resulting from the remeasurement of the investee's changes in net liabilities or assets of the defined benefit plan is not included.

The Group partially disposes long-term equity investments in subsidiaries without losing control. In consolidated financial statements, adjustments of capital premium or equity premium are made based on the difference between the disposal of the price and disposal of the share of the net assets calculated on an ongoing basis of the subsidiary to which a long-term equity investment is entitled since the date of purchase or combination. If the capital reserve is insufficient to be written down, the retained earnings are adjusted.

When control of the investees is lost as a result of the disposition of a portion of the equity investment or otherwise, the remaining equity is remeasured to its fair value at the date of loss of control in the preparation of consolidated financial statements. The difference between the consideration obtained for the disposal of the equity interest and the fair value of the remaining equity interest, less the proportionate share of the original subsidiary's net assets calculated on a continuing basis from the date of purchase or combination, is included in investment profits and losses in the period in which control is lost, and goodwill is written down at the same time. Other comprehensive income related to equity investments in former subsidiaries is transferred to current investment profits and losses upon loss of control.

When the Group's equity investment in a subsidiary is disposed of through multiple transactions step by step up to the loss of control, if transactions that dispose of equity investments in subsidiaries up to the point of loss of control are part of a package deal, each transaction is accounted for as a disposal of the subsidiary and loss of control; however, the difference between the price of each disposal prior to the loss of control and the share of the subsidiary's net assets corresponding to the disposal of the investment is recognized in the consolidated financial statements as other comprehensive income, which is transferred to the investment gain or loss in the period of loss of control when the control is lost.

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

The joint venture arrangement of the Group includes joint operations and joint ventures. The Group, as a joint venture in joint operations, recognizes assets held and liabilities assumed separately, as well as assets held and liabilities assumed by shares, and recognizes the related revenue and costs individually or on a share basis in accordance with relevant agreements. When transactions involving the purchase and sale of assets do not constitute a business with the joint operations, only the portion of the gain or loss resulting from the transaction attributable to the other participants in the joint operation is recognized.

7. Criteria for determining cash and cash equivalents

Cash in the Group's statement of cash flows refers to cash on hand and deposits that are readily available for payment. Cash equivalents in the statement of cash flows are investments that are held for no more than three months, highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

- 8. Foreign currency operations and translation of foreign currency statements
- (1) Foreign currency transactions

The foreign currency amount is converted into RMB amount at the spot exchange rate on the transaction date in the Group's foreign currency transactions. On the balance sheet date, foreign currency monetary items are converted into RMB at the spot exchange rate on the balance sheet date, and the resulting translation differences are directly recognized in current profits and losses, except for exchange differences arising from foreign currency borrowings specifically for the acquisition or production of assets eligible for capitalization (which are treated in accordance with the capitalization principle).

(2) Translation of financial statements in foreign currencies

The items of assets and liabilities in the balance sheet of foreign currency are translated at the spot exchange rate on the balance sheet date. Except for the "undistributed profits", the owners' equity items are converted at the spot exchange rate at the time of the occurrence of the business. The income and expense items in income statements are translated at the spot exchange rate on the date of transaction. The foreign currency translation differences resulting from the above translations are presented under "other comprehensive income" in owner's equity. Foreign currency cash flows are translated using the spot exchange rate at the date of the cash flow. The effect of changes in exchange rates on cash is shown separately in the statement of cash flows.

- 9. Financial instruments
- (1) Financial assets
- 1) Classification, recognition basis and measurement of financial assets

The Group classifies financial assets as financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies financial assets as financial assets at amortised cost if both ① the business model for managing the financial asset is to collect the contractual cash flows. ② the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. Such

financial assets are initially measured at fair value, with related transaction costs included in the initial recognition amount; they are subsequently measured at amortised cost. Except for those designated as hedged items, the difference between the initial amount and the maturity amount is amortised using the effective interest rate method, with amortisation, impairment, exchange gains or losses and gains or losses arising on derecognition included in profit or loss for the current period.

The Group classifies financial assets as financial assets at fair value through other comprehensive income if both ① the business model for managing the financial asset is one that targets both the collection of contractual cash flows and the sale of the financial asset. ② The contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. Such financial assets are initially measured at fair value, with related transaction costs included in the initial recognition amount. Except for those designated as hedged items, gains or losses arising from such financial assets, other than credit impairment losses or gains, exchange gains or losses and interest on those financial assets calculated using the effective interest method, are included in other comprehensive income; upon derecognition of a financial asset, the cumulative gain or loss previously included in other comprehensive income should be transferred from other comprehensive income and included in profit or loss for the current period.

The Group recognizes interest income based on the effective interest rate method. Interest income is determined by multiplying the carrying amount of the financial asset by the effective interest rate, except that: ① for financial assets acquired or originated that are credit impaired, interest income is determined from initial recognition on the basis of the amortized cost of the financial asset and the effective interest rate adjusted for credit. ② For financial assets acquired or originated that are not credit impaired but become credit impaired in a subsequent period, interest income is determined in the subsequent period based on the amortised cost of the financial assets and the effective interest rate.

The Group designates its investments in non-trading equity instruments as financial assets at fair value through other comprehensive income. This designation, once made, cannot be reversed. Investments in non-trading equity instruments designated by the Group as at fair value through other comprehensive income are initially measured at fair value, with related transaction costs charged to the initial recognition amount; except for dividends received (other than those attributable to the recovery of investment costs), which are recognized in profit or loss, all other related gains and losses (including exchange gains and losses) are recognized in other comprehensive income and are not subsequently transferred to current profit or loss. When they are derecognised, the cumulative gain or loss previously included in

other comprehensive income is transferred out of other comprehensive income and included in retained earnings.

Financial assets other than those classified as at amortised cost and those classified as at fair value through other comprehensive income as described above are classified by the Group as financial assets at fair value through profit or loss. Such financial assets are initially measured at fair value, with related transaction costs charged directly to current profit or loss. Gains or losses on such financial assets are included in profit or loss for the current period.

Where the contingent consideration recognised by the Group in a business combination not under common control constitutes a financial asset, the financial asset is classified as a financial asset at fair value through profit or loss.

The Group reclassified all relevant financial assets affected when it changed its business model for managing financial assets.

2) Basis of recognition and measurement of transfers of financial assets

The Group derecognises a financial asset when one of the following conditions is met: ① the contractual rights to receive cash flows from the financial asset cease; ② the financial asset is transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset; ③ the financial asset is transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control over the financial asset.

If the conditions for derecognition are met for a transfer of a financial asset as a whole, the difference between the carrying amount of the financial asset transferred and the amount corresponding to the derecognised portion of the consideration received for the transfer and the cumulative amount of changes in fair value that would otherwise be recognized directly in other comprehensive income (the contractual terms of the financial asset involved in the transfer provide that the cash flows arising on a specific date are only payments of principal and interest based on the principal amount outstanding) is included in profit or loss for the current period.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the carrying amount of the financial asset transferred as a whole is apportioned between the derecognized portion and the unrecognized portion in accordance with their respective relative fair values, and the amount of the consideration received for the transfer and the cumulative amount of changes in fair value that would otherwise be allocated to the derecognized portion that is included in other comprehensive income corresponding to the derecognized portion (involving the transfer of contractual terms of the financial asset provide that the cash flows arising at a particular date are only payments of principal and interest based on the principal amount outstanding), and the difference between the sum of the

assessed overall carrying amount of the aforementioned financial asset is recognized in profit or loss for the current period.

- 3) Expected credit losses
- a. Scope of application

The Group accounts for impairment and recognises loss provisions on the basis of expected credit losses for: financial assets classified as measured at amortised cost (referred to as AMC); debt financial assets measured at fair value through other comprehensive income (referred to as FVOCI); and loan commitments and financial guarantee contracts that should be included in the provision for impairment.

b. Methodology for determining expected credit losses and accounting treatment

Expected credit losses, being the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses, being the difference between all contractual cash flows receivable by the Group under the contract and all cash flows expected to be received, discounted at the original effective interest rate, being the present value of the entire cash shortfall.

The Group applies a simplified measurement approach to the provision for losses on receivables or contract assets arising from transactions governed by the *Accounting Standard* for Business Enterprises No. 14 - Revenue, which only includes receivables or contract assets that do not contain a significant financing component, and is always measured at an amount equal to the expected credit loss for the entire duration.

For items other than those listed above, the Group measures the provision for losses according to the following scenarios: ① For financial assets whose credit risk has not increased significantly since initial recognition, the Group measures the allowance for losses at the amount of expected credit losses over the next 12 months and calculates interest income based on the gross method; ② for financial assets whose credit risk has increased significantly since initial recognition, the Group measures the allowance for losses at an amount equal to the expected credit losses over the entire life of the financial instrument and calculates interest income based on the gross method; ③ for financial assets with a significant increase in credit risk since initial recognition and for which credit impairment has occurred at the reporting date, the Group measures the provision for losses at an amount equal to the expected credit losses over the entire life of the financial instrument and calculates interest income based on the net method.

Determination of whether credit risk has increased significantly since initial recognition. The Group determines whether the credit risk of a financial instrument has increased significantly by comparing the probability of default over the expected life of the financial instrument as determined at initial recognition with the probability of default over the

expected life of the instrument as determined at the balance sheet date. However, if the Group determines that a financial instrument has only a low level of credit risk at the balance sheet date, it can assume that the credit risk of the financial instrument has not increased significantly since initial recognition. Normally, if a financial instrument is more than 30 days past due, it is an indication that the credit risk of the financial instrument has increased significantly. This is unless the Group can obtain reasonable and substantiated information, without undue additional cost or effort, that the credit risk has not increased significantly since initial recognition, even if it is more than 30 days past due. In determining whether credit risk has increased significantly since initial recognition, the Group considers reasonable and substantiated information, including forward-looking information, that is available without undue additional cost or effort. The Group considers information such as internal historical experience data on credit losses, internal risk ratings, the credit loss experience of other companies or institutions, external credit ratings and external statistics.

Assessment on a portfolio basis. For financial instruments not included in individual loss accruals, the Group is unable to obtain sufficient evidence of a significant increase in credit risk at the individual instrument level at a reasonable cost and it is feasible to assess whether credit risk has increased significantly on a portfolio basis, so the Group groups financial instruments according to their type, credit risk rating, type of collateral, initial recognition date, remaining contractual maturity, industry in which the borrower is located, borrower The Group groups them according to common risk characteristics such as type of financial instrument, credit risk rating, type of collateral, initial recognition date, remaining contractual maturity, industry in which the borrower is located, geographical location of the borrower, and loan collateral ratio and considers the assessment of whether there is a significant increase in credit risk on a portfolio basis. A portfolio of financial instruments is identified, which may change over time (e.g. when new information on a group or individual financial asset becomes available).

- (2) Financial liabilities
- 1) Classification, basis of recognition and measurement of financial liabilities

The Group classifies financial liabilities as financial liabilities at amortised cost, except for:

(1) financial liabilities at fair value through profit or loss, including financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. (2) Financial liabilities arising from the transfer of financial assets or from continuing involvement in the transferred financial assets that do not qualify for derecognition. (3) Financial guarantee contracts that do not fall under the circumstances of (1) or (2) above, and loan commitments to lend at below-market interest rates that do not fall under the circumstances of (1) above.

The Group accounts for contingent consideration recognised as a purchaser in a business combination not under common control that results in a financial liability at fair value through profit or loss.

2) Derecognition of financial liabilities

The part of a financial liability or obligation that has been discharged may be derecognized only if the present obligation of the financial liability has been discharged in whole or in part. If the company and the creditor sign an agreement to replace the existing financial liabilities by assuming the new financial liabilities, and the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the company shall terminate the recognition of the existing financial liabilities and recognize the new financial liabilities at the same time. If the company substantially modifies all or part of the contract terms of the existing financial liability, the recognition of the existing financial liability or part thereof shall be terminated, and at the same time the modified financial liability shall be recognized as a new financial liability. The difference between the carrying value of the derecognized portion and the consideration paid is recognized in current profit or loss.

(3) Methodology for determining the fair value of financial assets and financial liabilities

The Group measures fair value of financial assets and financial liabilities at the price of major markets; in the absence of major markets, the fair value of financial assets and financial liabilities is measured at the price of the most advantageous market, and the valuation techniques applicable at the time and supported by enough available data and other information is adopted. The input value used in fair value measurement is divided into three levels, that is, the first level input value is the unadjusted quotation of the same assets or liabilities in the active market that can be obtained on the measurement day; the second level input value is a directly or indirectly observable input value of related assets or liabilities in addition to the first level input value; the third level input value is an unobservable input value of the related assets or liabilities. The level of the fair value measurement result is determined by the lowest level of the input value of great significance to the fair value measurement as a whole.

10. Accounts receivable

(1) The method of determining expected credit losses on receivables

Receivables for which the Group is able to obtain sufficient evidence of a significant increase in credit risk at the individual instrument level at a reasonable cost are classified as receivables for which a single provision for bad debts is made. For receivables that are not included in the individual provision for losses, they are grouped according to common risk characteristics and considered on a portfolio basis to assess whether there is a significant increase in credit risk.

Receivables for which a separate bad debt provision is made	Discounted cash flow models
Portfolio of receivables for which bad debt provision is made	
Portfolio 1 Aging portfolio	Aging analysis
Portfolio 2 Consolidated operating portfolio	Rating mapping models, rolling rate models, discounted cash flow models and other expected credit loss measurement models
Portfolio 3 Low risk portfolio	No provision for bad debts

Note: The above method is applied to the recognition of expected credit losses on operating lease receivables, while the recognition of expected credit losses on finance lease receivables is referred to in "Portfolio 2 Consolidated operating portfolio".

(2) The accrued ratio of provision for bad debts of receivables in portfolio 1 using aging analysis is as follows:

Business of the Group is divided into the financial sector and the trade sector. The proportion of bad debt provision for each business sector is determined according to the credit maturity aging portfolio as follows:

1) Financial sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within 1 year (including 1 year)	0.00	0.00
1-2 years (including 2 years)	10.00	10.00
2-3 years (including 3 years)	30.00	30.00
3-4 years (including 4 years)	50.00	50.00
4-5 years (including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

2) Trade sector

1) Food trade sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within 1 year (including 1 year)	0.00	0.00
1-2 years (including 2 years)	10.00	10.00
2-3 years (including 3 years)	20.00	20.00
3-4 years (including 4 years)	30.00	30.00
4-5 years (including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

(2) Pharmaceutical sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Aging	Accrued ratio of accounts receivable (%)	Accided ratio of other receivables (70)

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within 1 year (including 1 year)	5.00	5.00
1-2 years (including 2 years)	10.00	10.00
2-3 years (including 3 years)	30.00	30.00
3-4 years (including 4 years)	50.00	50.00
4-5 years (including 5 years)	80.00	80.00
Over 5 years	100.00	100.00

(3) Steel and logistics sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%
Within 1 year (including 1 year)	0.00	0.00
1-2 years (including 2 years)	10.00	10.00
2-3 years (including 3 years)	10.00	10.00
3-4 years (including 4 years)	20.00	20.00
4-5 years (including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

3) Electronics and chemicals sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%
Within 1 year (including 1 year)	5.00	5.00
1-2 years (including 2 years)	10.00	10.00
2-3 years (including 3 years)	15.00	15.00
3-4 years (including 4 years)	20.00	20.00
4-5 years (including 5 years)	30.00	30.00
Over 5 years	50.00	50.00

11. Inventory

The Group's inventory mainly includes raw materials, packaging, low-value consumables, goods in process and goods in stock, etc.

Inventories are valued at actual cost at the time of acquisition under the perpetual inventory system. The actual cost of inventories received or issued is determined using the weighted average method. Low-value consumables and packaging materials are amortized by the 50/50 amortization method.

Closing inventory is priced at the lower value between cost and net realizable value. For the part of the inventory that is expected to be unrecoverable due to damages, obsolete in whole or in part, or the selling price being below cost, inventory falling price reserves are withdrawn. Inventory falling price reserves of goods in stock and bulk raw materials are withdrawn according to the difference between the cost of an individual inventory item and its net realizable value. Inventory falling price reserves of other raw and auxiliary materials with large quantity and low unit price are withdrawn according to categories.

The net realizable value of inventory of goods used directly for sale such as inventory, goods in process and materials for sale, is determined at the estimated selling price of the inventory less estimated selling expenses and related taxes. The net realizable value of the inventory of goods used for production is determined on the basis of the estimated selling price of the finished products less the cost, estimated selling expenses and related taxes that will be incurred at the time of completion.

12. Other current assets

The Group's other current assets mainly account for entrusted loans, borrowing funds and pawn business.

The principal of the entrusted loan is recorded according to the amount of the loan actually lent by the entrusted financial institution. At the end of the period, interest receivables are calculated according to the loan principal and the applicable interest rate.

The recognition of expected credit losses on entrusted loans is governed by "(10) Accounts receivables 1. The method of determining expected credit losses on receivables".

13. Long-term equity investments

(1) Determination of control, joint control or significant influence over the investee

The Group's long-term equity investments mainly comprise equity investments held by the Group that are capable of exercising control and significant influence over its investees, as well as equity investments in its joint ventures.

Control means that the Group has authority over its investees, enjoys a variable return through participation in the investee's related activities, and has the ability to use its authority over the investees to influence the amount of its return.

Joint control means a common control over an arrangement in accordance with the relevant agreement, and decisions about activities related to the arrangement must be made with the unanimous consent of the participants sharing control. A joint venture arrangement is an arrangement that is under the common control of two or more participants. A joint venture means a joint venture arrangement in which the parties have rights only over the net assets of the arrangement. Significant influence means the power to participate in decision-making regarding the financial and operating policies of the investee unit, but does not have control or joint control with others over the development of those policies.

A significant influence is determined primarily on the basis of having representatives on an investee's board of directors or similar authorities, and is implemented through a voice in the financial and operating decisionmaking process of the investee. The Group, directly or indirectly through its subsidiaries, owns 20% (inclusive) or more but less than 50% of voting shares in the investee, and cannot exercise significant influence if there is a clear evidence that it cannot participate in the production and operation decisions of the investee under such circumstances. In determining whether a significant influence can be exercised over an

investee, the Group will consider, on the one hand, the voting shares of the investee held directly or indirectly by the Group and, on the other hand, the impact of current executable potential voting rights held by the Group and other parties following a hypothetical conversion into equity interest in the investee, such as current convertible warrants, share options and convertible corporate bonds issued by the investee.

(2) Methods for determining the cost, subsequent measurement, and profit and loss recognition of long-term equity investments

If a cash payment, a transfer of non-cash assets or an assumption of debt is regarded as a merger consideration, the initial investment cost of the long-term equity investment on the combination date is based on the share of the carrying value of the acquisition of the combined party's owner's equity in the consolidated financial statements of the ultimate controlling party. The equity premium in capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of cash paid, non-cash assets transferred and debt assumed; if the equity premium in capital reserve is insufficient to offset it, the retained earnings are adjusted.

If equity securities issued are regarded as merger consideration, the initial investment cost of the long-term equity investment on the combination date is based on the share of the carrying value of the acquisition of the combined party's owner's equity in the consolidated financial statements of the ultimate controlling party, and the total face value of the shares issued is treated as capital stock. The equity premium in capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the total face value of the shares issued; if the equity premium in capital reserve is insufficient to offset it, the retained earnings are adjusted.

Business combinations not under the same control: the company accounts for the initial investment cost of long-term equity investments based on the cost of the combination determined at the date of purchase.

Agency fees such as audit, legal services, appraisal and consulting fees in business combinations and other related management fees are charged to current profit or loss when incurred. Transaction costs of equity securities or debt securities issued as merger consideration are included in the initial confirmation amount of equity securities or debt securities.

In addition to the above long-term equity investments obtained through business combinations, the long-term equity investments obtained by paying cash are recorded as investment costs according to the purchase price actually paid; the long-term equity investments acquired with the issuance of equity securities are recorded as investment costs at the fair value of the equity securities issued; the long-term equity investments invested by

the investor are regarded as investment costs according to the value agreed upon in the investment contract or agreement; the investment cost of long-term equity investments acquired through debt restructuring, non-monetary asset exchanges, etc., is determined in accordance with the relevant accounting standards.

The Group applies the cost method of accounting for long-term equity investments in investees over which it is able to exercise control; for the investment of joint ventures and associates, the equity method is used.

When the cost method is used, the long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or recovered. The profits or cash dividends distributed by the investee are recognized as investment income.

When using the equity method of accounting, the initial investment cost of the long-term equity investment is not adjusted according to the difference between the initial investment cost and the share of fair value of the investee's identifiable net assets at the time of investment. The difference between the initial cost of the investment and the share of fair value of the investee's identifiable net assets at the time of investment is recognized in current profit or loss and adjusted for the cost of the long-term equity investment. Upon acquisition of a long-term equity investment, investment income and other comprehensive income are recognized separately based on the share of net gains and losses and other comprehensive income realized by the investee in current year to which they are entitled or share, and the carrying value of the long-term equity investment is adjusted accordingly. The investor calculates the portion to be enjoyed according to the profits or cash dividends declared by the investee, and reduces the book value of the long-term equity investment correspondingly. The investor adjusts the carrying value of the long-term equity investment for other changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee, and includes it in owner's equity. In recognizing the share of net profit or loss attributable to the investee, adjustments to the net profit of the investee are made based on the fair value of each identifiable asset of the investee at the time the investment is acquired in accordance with the Group's accounting policies and accounting periods, and the net profit of the investee is to offset the proportion of unrealized gains and losses of internal transactions between joint ventures and associates in the investment enterprise calculated by the proportion enjoyed, and therefore to recognize the investment income.

(3) Changes in long-term equity investments

For long-term investments that are able to exercise common control or significant influence over an investee due to additional investments or other reasons but do not constitute control, the sum of the fair value of the equity investment originally held and

classified as available-for-sale financial assets, plus the cost of the additional investment, is treated as the initial investment cost under the equity method. The difference between the fair value and the carrying value, as well as the cumulative fair value changes previously recorded in other comprehensive income are transferred to the current profit or loss under the equity method. Based on the difference between the initial investment cost calculated from the above calculation and the fair value share of the identifiable net assets of the investee on the additional investment date calculated according to the new shareholding ratio after the additional investment, if the former is greater than the latter, the book value of the long-term equity investment shall not be adjusted; if the former is smaller than the latter, the book value of long-term equity investment shall be adjusted and included in the current non-operating income.

For long-term equity investments in which control can be exercised over investees that are not under the same control due to additional investments, the sum of the carrying value of the equity investment originally held plus the cost of the additional investment is used as the initial cost of the investment when the individual financial statements are prepared as the cost method of accounting. Other comprehensive income recognized as a result of using the equity method of accounting for equity investments existing prior to the date of purchase is accounted on the same basis as the investee's direct disposal of related assets or liabilities on disposal of the investment. If the equity investment held before the purchase date was classified as available-for-sale financial assets for accounting treatment, the changes in the accumulated fair value originally included in other comprehensive income is transferred to the current profit and loss when the cost method is used.

If the Group no longer has common control or significant influence over the investee due to the disposal of a portion of the equity investment or other reasons, and the remaining equity interest after disposal is classified as an available-for-sale financial asset, the difference between the fair value and the carrying value at the date of loss of common control or significant influence is recognized in profit or loss for the current period. Other comprehensive income recognized by the original equity investment as a result of the equity accounting method is accounted on the same basis as the investee's direct disposal of related assets or liabilities when the use of equity method is terminated.

If an investor loses control over an investee due to the disposal of a portion of the equity investment or other reasons, in preparing the individual financial statements, if the remaining equity interest after disposal is capable of exercising joint control or exerting significant influence over the investee, the equity method is used, and the remaining equity interest is adjusted as if the equity method of accounting had been applied from the time of acquisition; if the remaining equity interest after disposal does not exercise common control or significant influence over the investee and is classified as an available-for-sale financial asset, the

difference between its fair value at the date of loss of control and its carrying value is recognized in profit or loss for the current period.

(4) Disposal of long-term equity investments

When a long-term equity investment is disposed of, the difference between its carrying value and the price actually received is recognized in the current investment income. In the disposal of long-term equity investments accounted under the equity method, on the same basis as the investee's direct disposal of relevant assets or liabilities on the disposal of the investment, the part originally included in other comprehensive income is accounted according to the corresponding proportion.

14. 14. Investment property

The Group's investment properties include leased buildings.

The Group's investment properties are recorded at their cost; the cost of purchased investment properties includes the purchase price, relevant taxes and fees and other expenses directly attributable to the asset; the cost of self-constructed investment properties consists of the necessary expenses incurred before the construction of the asset reaches its intended usable state.

The Group adopts the cost model for subsequent measurement of investment properties and makes provision for depreciation or amortization over their expected operating lives and net residual value. The expected operating lives, net residual values and annual depreciation (amortization) rates of investment properties are as follows:

Category	Depreciation period (years)	Projected residual value rate (%	Annual depreciation rate (%)
House and buildings	20-40	0-5	5.00-2.38
Land use rights	40, 50		2.00, 2.50

When the use of investment property is changed to its own use, the investment property is converted to a fixed or intangible asset from the date of the change. When the use of owner-occupied real estate is changed to earn rent or capital appreciation, the fixed or intangible asset is converted to investment property as of the date of the change. When a conversion occurs, the carrying value before conversion is used as the entry value after conversion.

Recognition of investment property is terminated when the property is disposed of or permanently withdrawn from use and no economic benefit is expected from its disposal. Income from the sale, transfer, obsolescence or destruction of investment properties is

recognized in profit or loss for the current period after deducting their book value and related taxes and fees.

15. Fixed assets

The Group's fixed assets refer to the tangible assets with the following characteristics at the same time, that is, the tangible assets held for the purpose of production of goods, the provision of services, rental, or operation management, and have a useful life of more than one year.

Fixed assets, including house and buildings, machinery and equipment, transportation equipment, office equipment and other equipment, are stated at cost at the time of acquisition. Among them, the cost of purchased fixed assets includes relevant taxes and fees such as purchase price and import duty, as well as other expenses that can be directly attributed to the fixed assets before the fixed assets reach the predetermined usable state; the cost of a self-constructed fixed asset consists of the necessary expenditure incurred in constructing the asset until it is ready for its intended use; fixed assets invested by investors are recorded at the value agreed upon in the investment contract or agreement, but the value agreed upon in the contract or agreement which is not fair is recorded at fair value.

Subsequent expenditures related to fixed assets, including repair expenditures, renovation expenditures, etc., are charged to the cost of fixed assets if they meet the conditions for recognition of fixed assets, and the book value of the replaced part is derecognized. If it does not meet the conditions for recognition of fixed assets, it is recorded to the profit and loss of the current period when it occurs.

The Group depreciates all fixed assets except for fully depreciated fixed assets that continue to be used and land that is separately accounted for. Depreciation is calculated using the average life method and is recorded in the cost or current expense of the related assets respectively, depending on the purpose. The Group's classified depreciable lives, projected net residual value rate and depreciation rate for fixed assets are as follows:

No.	Category	Depreciation period(years)	Projected residual value rate (%)	Annual depreciation rate (%)
1	House and buildings	20-40	0-5	5.00-2.38
2	Machinery and equipment	4-20	0-10	25.00-4.50
3	Transport equipment	5-15	0-10	20.00-6.00
4	Electronic equipment	3-5	0-5	33.33-19.00
5	Office equipment	5-10	0-5	20.00-9.50
6	Other equipment	5-12	2-5	19.60-7.92

At the end of each year, the Group reviews the estimated useful life, estimated net salvage value and depreciation method of fixed assets, and any changes are treated as changes in accounting estimates.

When a fixed asset is disposed or no economic benefit is expected from its use or disposal, the recognition of the fixed asset shall be terminated. Income from the sale, transfer, scrapping or destruction of fixed assets, deducts its book value and related taxes, is recognized in profit or loss for the period.

16. Construction in progress

Construction in progress is measured at actual costs incurred. Self-supported construction works are measured by direct materials, direct wages, direct construction costs, etc.; outsourced construction works are measured by construction prices to be paid, etc.; equipment installation works are measured by the value of equipment installed, installation costs, expenses incurred for commissioning, etc. to determine the project cost. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized.

On the date when the construction in progress reaches its intended use, the fixed assets are carried forward to the estimated value according to the construction budget, cost or the actual cost of the construction, and depreciation is charged from the following month onwards. The difference in the original value of the fixed assets is adjusted after the completion of the final accounting procedures.

17. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary costs and exchange differences arising from foreign currency borrowings. Capitalization of borrowing costs directly attributable to the acquisition or production of capitalizable assets begins when expenditures have been incurred on the assets, borrowing costs have been incurred, and acquisition or production activities necessary to bring the assets to a predetermined state of usefulness or marketability have commenced; capitalization of capitalizable assets constructed or produced ceases when they reach a predetermined state of usefulness or marketability. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

Interest expense actually incurred during the period of the special purpose borrowing is capitalized less interest income earned on unused borrowed funds deposited with the bank or investment income earned on temporary investments; the capitalization amount is determined for general purpose borrowing based on the weighted average of asset expenditures in excess of the portion of the special purpose borrowing that is accumulated

and multiplied by the weighted average interest rate of the general purpose borrowing occupied.

Assets eligible for capitalization are fixed assets, investment properties and inventories that require a significant period of time (usually refers to more than 1 year) for acquisition or production activities to reach a predetermined state of use or sale.

If there is an abnormal interruption in the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production of the asset recommences.

18. Right-of-use assets

Right-of-use assets represent the right of the Group, as a lessee, to use the leased assets for the term of the lease.

(1) Initial measurement

At the inception date of the lease term, the Group initially measures the right-of-use asset at cost. This cost includes the following four items: ①Initial measurement amount of the lease liability; ②The amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, less the amount related to the lease incentive already taken; ③The initial direct costs incurred, that is, the incremental costs incurred to reach the lease; ④Costs expected to be incurred for dismantling and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to its agreed condition under the terms of the lease, except for those incurred for the production of inventories.

(2) Subsequent measurement

After the commencement date of the lease term, the Group adopts the cost model for subsequent measurement of the right-of-use assets, that is, right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses. If the Group remeasures the lease liabilities in accordance with the relevant provisions of the leasing standards, the carrying value of the right-of-use assets is adjusted accordingly.

1) Depreciation of right-of-use assets

The Group depreciates right-of-use assets from the beginning of the lease term. Right-of-use assets are generally depreciated from the month in which the lease term commences. The amount of depreciation is charged to the cost of the related assets or to current profit or loss, depending on the use of the right-of-use assets.

In determining the depreciation method for right-of-use assets, the Group makes decisions based on the manner in which the economic benefits associated with the

right-of-use assets are expected to be consumed and depreciates the right-of-use assets on a straight-line basis.

The Group follows the following principles in determining the depreciable life of right-of-use assets: If it is reasonably certain that ownership of the leased asset can be obtained at the end of the lease term, depreciation is charged over the remaining useful life of the leased asset; if it is not reasonably certain that ownership of the leased asset can be obtained at the end of the lease term, depreciation is charged over the shorter of the lease term and the remaining useful life of the leased asset.

2) Impairment of right-of-use assets

If a right-of-use asset is impaired, the Group applies subsequent depreciation to the carrying value of the right-of-use asset after deducting the impairment loss.

19. Intangible assets

The Group's intangible assets, including land use rights, patented technology, and non-patented technology, are measured at their actual cost at the time of acquisition. Intangible assets acquired are also measured at the actual price paid and related other expenses as its actual cost. The actual cost of an intangible asset invested by investors is determined at the value agreed upon in the investment contract or agreement; but if the value agreed upon in the contract or agreement is not fair, the actual cost is determined at fair value.

Intangible assets owned by a acquiree acquired in a business combination, but not under the same control and not recognized in the Group's financial statements are only recognized as intangible assets at fair value when one of the following conditions is met in the initial recognition of the acquiree's assets: 1. the intangible assets are from contractual or other statutory rights; 2. the intangible assets are capable of being separated or subdivided from the acquiree and used for sale, transfer, grant of license, lease or exchange, either alone or together with related contracts, assets and liabilities.

The land use right is amortized on an average basis according to the years of grant from the date of transfer; patented technology, non-patented technology and other intangible assets are amortized evenly in installments according to the shortest of either expected life, the beneficial term under contract, or the effective term stipulated by law. The amortization amount is recorded in the cost of relevant assets and current profits and losses according to the beneficiary.

The estimated useful life and amortization method for intangible assets with finite lives are reviewed at the end of each year and any changes are treated as changes in accounting estimates. The expected useful life of an intangible asset with an indefinite useful life is reviewed during each accounting period. When there is evidence that the useful life of an

intangible asset is finite, its useful life is then estimated and amortized over its expected useful life.

20. Research and development

The Group's research and Development costss are divided into research phase expenditures and development phase expenditures based on its nature and whether there is a significant uncertainty about the intangible assets that will ultimately result from the research and development activities. Research phase expenditures are charged to current profit or loss as incurred; development phase expenditures are recognized as intangible assets when the following conditions are met at the same time:

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold;
 - (2) There is an intention to complete and use or sell the intangible asset;
- (3) There is a market for the product produced by the intangible asset or for the intangible asset itself;
- (4) There are sufficient techniques, financial and other resources to support the completion of the development of the intangible asset, and there is an ability to use or sell the intangible asset;
- (5) Expenditures attributable to the development phase of the intangible asset can be measured reliably.

Expenditures in the development phase that do not meet the above conditions are charged to current profit or loss as incurred. Development expenses that have been included in profit and loss in the early stage will not be recognized as assets in the later period. Expenditures in the development phase that have been capitalized are shown as Development costs on the balance sheet and are transferred to intangible assets from the date the project reaches its intended use.

21. Long-term prepayments

The Group's long-term prepayments are renovation costs and lease costs of fixed assets that have been expended but are to be borne by the current and future periods with an amortization period of more than one year (excluding one year), which are amortized equally over the benefit period. If a long-term unamortized expenses item does not benefit future accounting periods, the amortized value of the item that has not been amortized is fully transferred to the current profit and loss.

22. Goodwill

Goodwill is the difference between equity investment cost or cost of a business combination not under common control, and the share of fair value of the net identifiable assets of the investee or acquiree that should be enjoyed or acquired in the business combination at the date of acquisition or the date of purchase.

Goodwill relating to subsidiaries is shown separately on the consolidated financial statements. Goodwill relating to associates and joint ventures is included in the carrying value of long-term equity investments.

23. Impairment of non-financial long-term assets

The Group examines items such as long-term equity investments, fixed assets, construction in progress, and intangible assets with finite useful lives at each balance sheet date, and performs an impairment test when the following indications exist that an asset may be impaired. Goodwill and intangible assets with indefinite useful lives are tested for impairment at the end of each year, regardless of whether there are indications of impairment. If it is difficult to test the recoverable amount of a single asset, the test is based on the asset group or combination of the asset group to which the asset belongs.

If, after the impairment test, the carrying amount of the asset exceeds its recoverable amount, the difference is recognized as an impairment loss. Once the impairment loss is recognized, it is not reversed in subsequent accounting periods. The recoverable amount of an asset is the higher of either the fair value of the asset after deducting disposal costs, or the present value of the asset's expected future cash flow.

Indications of impairment are as follows:

- (1) The market price of the asset falls sharply in the current period, which is significantly higher than the expected decline due to the passage of time or normal use;
- (2) The economic, technological or legal environment in which an enterprise operates and the market in which its assets are located will undergo significant changes in the current period or in the near future, thus adversely affecting the enterprise;
- (3) Market interest rates or other market rates of return on investment have increased in the current period, which affects the enterprise's discount rate for calculating the present value of the asset's expected future cash flows, resulting in a significant reduction in the recoverable amount of the asset:
 - (4) There is evidence that the asset is obsolete or that the entity is damaged;
 - (5) Assets have been or will be idle, terminated or planned to be disposed of in advance;
- (6) Evidence reported internally by the enterprise shows that the economic performance of the asset has been or will be lower than expectation, for example, the net cash flow

generated by the asset or the realized operating profit (or loss) is much lower than (or higher than) the expected amount;

(7) Other indications that an asset may have been impaired.

24. Employee benefits

The Group's employee benefits refer to all forms of remuneration or compensation given by the Group for services rendered or terminated by employees, including short-term compensation, post-employment benefits, severance benefits and other long-term employee benefits. Benefits provided by the Group to the employee's spouse, children, dependents, wills of deceased employees and other beneficiaries are also considered as employee benefits.

(1) Short-term compensation, which is the employee compensation that the Group is required to pay in full within twelve months after the end of the annual reporting period in which the employee provides relevant services, except for compensation for the termination of the employment relationship with employees. The Group's short-term remuneration specifically includes: employee salaries, bonuses, allowances and subsidies, employee benefits, social insurance such as medical insurance, work injury insurance and maternity insurance, housing funds, labor union operating funds and employee education funds, short-term paid absences, short-term profit sharing plans, non-monetary benefits and other short-term remuneration.

The Group recognizes the actual short-term compensation incurred as a liability in the accounting period in which the services are rendered by the employees, and charges it to current profit or loss or to the cost of the related asset according to the beneficiary of the services rendered by the employees.

(2) Post-employment benefits refer to the various forms of remuneration and benefits provided by the Group after the employees retire or terminate their labor relations with the Group in order to obtain the services provided by the employees, except for short-term compensation and severance benefits.

The Group's defined contribution plan refers to the basic pension insurance and unemployment insurance and enterprise annuity paid for employees in accordance with the relevant regulations of the local government. In the accounting period in which the employee provides services to the Group, the amount payable is calculated on the basis and proportion of the locally required contribution. The amount payable is recognized as a liability and charged to current profit or loss or to the cost of the related asset.

The Group attributes the benefit obligation arising from defined benefit plans to the period in which the employee provides the service according to a formula determined using the expected cumulative units of benefit method, and charges it to current profit or loss or the cost of the related asset. The deficit or surplus arising from the present value of the defined

benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net liability or net asset of a defined benefit plan. If a defined benefit plan has a surplus, the Group measures the net assets of the defined benefit plan at the lower between the surplus of the defined benefit plan and the asset limit.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the annual reporting period in which the employee provides services, are discounted based on Treasury bonds or market yield of high-quality corporate bonds in active markets that match the maturity and currency of the defined benefit plan obligations on balance sheet date.

Service costs incurred on defined benefit plans and net interest on net liabilities or net assets of defined benefit plans are charged to current profit or loss or the cost of the related assets. Changes arising from the remeasurement of the net liability or net assets of defined benefit plans are recorded in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods.

On the settlement of a defined benefit plan, a settlement gain or loss is recognized on the difference between the present value of the defined benefit plan obligation and the settlement price determined on the settlement date.

(3) Severance benefits are compensation given to employees by the Group to terminate the employment relationship with employees before the expiration of their employment contracts, or to encourage employees to voluntarily accept redundancy. If employees do not terminate their employment contract with the Group, but no longer provide services to the Group in the future and do not bring economic benefits to the Group, the Group undertakes to provide financial compensation that is in essence a dismissal benefit. In the event of "internal retirement", the employees should be treated in accordance with severance benefits prior to their official retirement dates, and with post-employment benefits after their official retirement date.

When the Group provides severance benefits to employees and cannot unilaterally withdraw the termination benefits provided due to a labor termination or a reduction proposal, the Group recognizes either the earlier restructuring costs, or expenses related to the payment of termination benefits. The Group recognizes employee compensation liabilities arising from severance benefits and recognizes it in current profit or loss.

For severance benefits that are not expected to be fully paid within twelve months after the end of the annual reporting period, and for severance plans where substantive severance work is implemented within one year but compensation is paid in more than one year, the Group selects the appropriate discount rate and measures the amount of severance benefits that should be recorded into the current profit and loss by the discounted amount. (4) Other long-term employee benefits refer to all employee compensation other than short-term compensation, post-employment benefits, and severance benefits, including long-term paid absences, long-term disability benefits, and long-term profit-sharing plans, etc.

Other long-term employee benefits provided by the Group to its employees, which are eligible for the defined contribution plan, are accounted in accordance with the relevant provisions of the defined contribution plan. The Group provides other long-term employee benefits to employees; for those which meet the conditions of the defined benefit plan, the Group confirms and measures the net negative components of other long-term employee benefits in accordance with the relevant provisions of the defined benefit plan: service costs; net interests on net liabilities or net assets of other long-term employee benefits; changes arising from the remeasurement of other long-term employee benefits net liabilities or net assets. The total net amount is booked into the current profit and loss or the cost of related assets.

25. General risk reserve

The Group's company conducting entrusted lending business makes provision for general risk from net profit in accordance with the regulation of the Ministry of Finance's Measures for the Management of the Provision for Financial Enterprises (Caijin [2012] No. 20) to make up for potential losses on unidentified risky assets. The balance of general risk provision is not less than 1.50% of the closing balance of risky assets.

26. Bonds payable

The Group's bonds payable are measured at fair value on initial recognition and the related transaction costs are included in the initial recognition amount. The subsequent measurement is based on the amortized cost.

The difference between the price paid for bonds and the total face value of bonds is treated as a premium or discount on the bond and amortized over the life of the bond at the time of interest accrual using the effective interest rate method, and is treated in accordance with the principles for the treatment of borrowing costs.

27. Lease liabilities

(1) Initial measurement

The Group initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term.

1) Lease payment

Lease payments, which are payments made by the Group to the lessor in connection with the right to use the leased asset during the lease term, including: ①Fixed payments and material fixed payments, net of amounts related to lease incentives if lease incentives exist;

②Variable lease payments that depend on an index or rate that is determined at the time of initial measurement based on the index or rate at the beginning of the lease term; ③The Group reasonably determines the exercise price of the purchase option when the purchase option will be exercised; ④The lease term reflects the amount required to be paid to exercise the lease termination option when the Group will exercise the option to terminate the lease; ⑤Estimated payments due based on the residual value of guarantees provided by the Group.

2) Discount rate

In calculating the present value of lease payments, the Group uses the incremental borrowing rate as the discount rate because the interest rate embedded in the lease cannot be determined. This incremental borrowing rate is the interest rate that the Group would have to pay to obtain an asset with a value close to that of the right-of-use asset in a similar economic environment and to borrow funds on similar security terms for a similar period. The interest rate relates to the following items: ①The Group's own situation, that is, the solvency and credit standing of the company; ②The term of the "borrowing", that is, the lease term; ③ The amount of "borrowed" funds, that is, the amount of the lease liability; ④The economic environment, including the jurisdiction in which the lessee is located, the currency of denomination, and the timing of the contract. The Group arrived at this incremental borrowing rate based on the LPR published by the People's Bank of China, adjusted to take into account the above factors.

(2) Subsequent measurement

Subsequent to the commencement date of the lease term, the Group measures the lease liability on a subsequent basis as follows: ①Increase in the carrying amount of the lease liability when interest on the lease liability is recognized; ②Decrease in the carrying amount of the lease liability when lease payments are made; ③The carrying value of the lease liability is remeasured when there is a change in the lease payments due to revaluation or lease modification. The Group calculates interest expense on lease liabilities at a fixed periodic rate for each period of the lease term and recognizes it in profit or loss for the current period, except when it should be capitalized. The periodic interest rate is the discount rate used by the Group for the initial measurement of the lease liability, or the revised discount rate used by the Group when the lease liability is required to be remeasured at the revised discount rate due to a change in the lease payments or due to a change in the lease.

(3) Remeasurement

After the commencement date of the lease term, the Group remeasures the lease liability at the present value of the changed lease payments and adjusts the carrying value of the right-of-use asset accordingly when the following occurs. If the carrying value of the right-of-use asset has been reduced to zero but the lease liability is subject to further

reduction, the Group recognizes the remaining amount in profit or loss for the current period. ①Changes in the amount of the substantive fixed payment (in this case, discounted using the original discount rate); ②Changes in the amount expected to be payable on the guaranteed residual value (in this case, discounted using the original discount rate); ③Changes in the index or rate used to determine the lease payments (in this case, discounted using the revised discount rate); ④Changes in the valuation of the purchase option (in this case, discounted using the revised discount rate); ⑤Changes in the valuation or actual exercise of the lease renewal option or lease termination option (in this case, discounted using the revised discount rate).

28. Estimated liabilities

The Group recognizes a liability when operations related to contingencies such as external guarantees, commercial promissory note discounting, pending litigation or arbitration, product quality assurance meet the following conditions at the same time: the obligation is a present obligation of the Group; the performance of the obligation is likely to result in the outflow of economic benefits from the enterprise; the amount of the obligation can be reliably measured.

The estimated liabilities are initially measured in accordance with the best estimate of the expenditure required to fulfill relevant current obligations, and factors such as risks, uncertainties, and time value of money related to contingencies are considered comprehensively. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The carrying value of the projected liability is reviewed on each balance sheet date; if there is a change, the book value is adjusted to reflect the current best estimate.

29. Other financial instruments such as preferred shares and perpetual bonds

The Group classifies the preferred shares and perpetual debentures, which qualify as equity instruments, as financial liabilities, except for those that are judged to be equity instruments. For details of the related accounting policies, please refer to Note IV (9) 5 "Distinction between financial liabilities and equity instruments".

Preferred shares and perpetual bonds classified as debt instruments are initially measured at their fair value net of transaction costs and subsequently measured at amortized cost using the effective interest rate method. Interest expense or dividend distribution is treated as borrowing costs, and gains or losses arising from their repurchase or redemption are recognized in current profit or loss.

Preferred shares and perpetual bonds classified as equity instruments increase owner's equity after deducting transaction costs from the consideration received upon issuance, and their interest expense or dividend distribution is treated as profit distribution, and repurchase or cancellation is treated as changes in equity.

30. Revenue recognition principles

The Group's operating income mainly includes income from the sale of goods, income from the provision of labor services and income from the transfer of the right to use assets.

The Group recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the relevant goods or services.

Where a contract contains two or more performance obligations, the Group apportions the transaction price to each individual performance obligation at the beginning of the contract in proportion to the relative share of the individual selling price of the goods or services promised by each individual performance obligation, and measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration the Group expects to be entitled to receive for the transfer of goods or services to the customer, excluding amounts received on behalf of third parties. The Group recognizes transaction prices that do not exceed the amount for which it is highly probable that there will be no material reversal of revenue recognized in the aggregate when the relevant uncertainty is removed. The amount expected to be returned to the customer as a liability is not included in the transaction price. Where there is a significant financing component in the contract, the Group determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained. The difference between this transaction price and the contract consideration is amortized over the contract period using the effective interest method. At the contract start date, if the Group expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price will not exceed one year, the existence of a significant financing component in the contract will not be considered.

The Group is in performance within a certain time period if one of the following conditions is met; otherwise, it is in performance at a point in time:

- (1) The customer obtains and consumes the economic benefits of the Group's performance at the same time as the Group's performance.
- (2) The customer is able to control the goods under construction in the course of the Group's performance.
- (3) The goods produced in the course of the Group's performance are of irreplaceable use and the Group is entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations performed within a certain period of time, the Group recognizes revenue in accordance with the progress of performance during that period and

determines the progress of performance based on the percentage of completion method. When the progress of performance is not reasonably determinable, the Group recognizes revenue at the amount of costs already incurred until the progress of performance can be reasonably determined if the costs are expected to be reimbursed.

For performance obligations performed at a point in time, the Group recognizes revenue at the point when the customer obtains control of the related goods or services. In determining whether a customer has acquired control of goods or services, the Group considers the following indications:

- (1) The Group has a present right to receive payment for the goods or services.
- (2) The Group has transferred legal ownership of the commodity to the customer.
- (3) The Group has physically transferred the commodity to the customer.
- (4) The Group has transferred the principal risks and rewards of ownership of the commodity to the customer.
 - (5) The customer has accepted the goods or services, etc.

The Group's rights to receive consideration for goods or services that have been transferred to customers are presented as contract assets, and contract assets are impaired on the basis of expected credit losses. The Group's unconditional right to receive consideration from customers is presented as a receivable. The Group's obligation to transfer goods or services to customers for which the Group has received consideration receivable is presented as a contract liability.

31. Government grants

Government grants represent the Group's acquisition of monetary and non-monetary assets from the government at no cost. Government grants are recognized when the Group is able to meet the conditions attached and receive them.

If the government subsidy is a monetary asset, it shall be measured according to the amount actually received. If the subsidy is allocated according to fixed quota standard, or if there is conclusive evidence at the end of the period that the relevant conditions stipulated by the financial support policy can be met and the financial support fund is expected to be received, it shall be measured according to the receivable amount. If the government subsidy is a non-monetary asset, it shall be measured in accordance with fair value; if fair value cannot be obtained reliably, it shall be measured according to the nominal amount (RMB 1 yuan).

The Group's government grants are divided into asset-related government grants and revenue-related government grants. Of which, asset-related government grants are those acquired by the Group and used to acquire and construct, or otherwise form long-term assets; revenue-related government grants, which are government grants other than those related to

assets. If the government documents do not specify the recipients of the subsidies, the Group makes judgments based on the above principles of differentiation, and if it is difficult to differentiate, it is classified as a whole as revenue-related government grants.

Government grants related to assets are written down to the carrying value of the related assets or recognized as deferred income.

Government grants related to assets recognized as deferred income are allocated evenly through profit or loss over the useful life of the related assets.

If the related asset is sold, transferred, scrapped or destroyed before the end of its useful life, the undistributed balance of the related deferred income is transferred to the profit or loss in the period in which the asset is disposed of.

Government grants related to revenue used to compensate for related costs or losses in future periods are recognized as deferred income and charged to current profit or loss in the period in which the related costs or losses are recognized. Government grants related to revenue used to compensate for related costs or losses already incurred are charged directly to current profit or loss. Government grants related to routine activities are recognized in other income on the basis of the substance of the economic operations. Government grants not related to routine activities are included in non-operating income and expenditure.

32. Deferred tax assets and deferred tax liabilities

The Group's deferred tax assets and deferred tax liabilities are recognized based on the difference (temporary difference) between the tax bases of assets and liabilities and their carrying values. Deferred tax assets are recognized as temporary differences for deductible losses and tax credits that can be offset against taxable income in future years under the tax laws. On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

The Group recognizes deferred tax assets generated by the deductible temporary difference to the extent that it is likely to obtain the taxable income amount used to offset the deductible temporary difference. For the recognized deferred tax assets, when it is expected that it is unlikely to obtain enough taxable income amount to offset the deferred income tax assets in the future period, the carrying value of the deferred tax assets shall be written down. Write-downs are reversed when it is probable that sufficient taxable income will be available.

33. Lease

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time in return for consideration. At the contract inception date, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a

lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration. To determine whether the contract cedes the right to control the use of the identified assets for a certain period, the Group assesses whether the customer under the contract is entitled to substantially all of the economic benefits arising from the use of the identified assets during the period of use and has the right to dominate the use of the identified assets during that period of use.

If a contract contains several separate leases, the Group splits the contract and accounts for each separate lease separately. If a contract contains both lease and non-lease components, the Group splits the lease and non-lease components for accounting purposes.

(1) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for leases at the commencement date of the lease term.

Right-of-use assets are initially measured at cost, which includes the initial measurement of the lease liability, the lease payments made on or before the commencement date of the lease (net of amounts related to lease incentives received), the initial direct costs incurred and the costs expected to be incurred to disassemble and remove the leased asset, restore the site where the leased asset is located or restore the leased asset to its agreed condition under the terms of the lease. The Group depreciates right-of-use assets using the straight-line method. Where it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Group depreciates the leased asset over its remaining useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date of the lease term, and the discount rate is the interest rate embedded in the lease. If the embedded interest rate of the lease cannot be determined, the Group's incremental borrowing rate is used as the discount rate.

The Group calculates the interest expense on the lease liability for each period of the lease term based on a fixed periodic interest rate, which is charged to current profit or loss or to the cost of the related asset. Variable lease payments that are not included in the measurement of the lease liability are charged to current profit or loss or the cost of the related assets when they are actually incurred.

The Group re-determines the lease payments and re-measures the lease liability based on the present value of the changed lease payments and the revised discount rate if, after the commencement date of the lease, the followings occur: Changes in the evaluation of the option to purchase, the option to renew the lease or the option to terminate the lease, or changes in the actual exercise of the option to renew the lease or the option to terminate the

lease that are inconsistent with the original evaluation results, resulting in changes in the lease term; changes in the amount expected to be payable based on the guaranteed residual value, or changes in the index or rate used to determine the amount of lease payments.

When the lease liability is remeasured, the Group adjusts the carrying value of the right-of-use asset accordingly. If the carrying value of the right-of-use asset has been reduced to zero but the lease liability is subject to further reduction, the Group recognizes the remaining amount in profit or loss for the current period.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (leases with a lease term not exceeding 12 months) and leases of low-value assets, and to recognize the related lease payments in profit or loss or the cost of the related assets on a straight-line basis over the respective periods of the lease term.

(2) The Group as lessor

At the inception date of the lease, the Group classifies the lease as a finance lease and an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of the leased asset, regardless of whether ownership is ultimately transferred. Operating leases are leases other than finance leases.

When the Group acts as a sublease lessor, it classifies the sublease based on the right-of-use assets arising from the original lease, rather than the underlying assets of the original lease. If the original lease is a short-term lease and the Group chooses to apply the simplified treatment for short-term leases described above to the original lease, the Group classifies the sublease as an operating lease.

Under finance leases, the Group recognizes finance lease receivables for finance leases and derecognizes finance lease assets at the commencement date of the lease term. When the Group makes initial measurement of the finance lease receivables, the net lease investment is used as the recorded value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease, discounted at the lease's embedded interest rate.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments not included in the measurement of net lease investments are recognized in profit or loss when they are actually incurred.

Under operating leases, the Group recognizes lease receipts from operating leases as rental income using the straight-line method (or other systematic and reasonable method) for each period of the lease term. Initial direct costs associated with operating leases are capitalized and amortized over the lease term on the same basis as rental income is

recognized, and are recognized in profit or loss in the current period. Variable lease payments that are not included in the lease receipts are recognized in current profit or loss when they are actually incurred.

34. Fair value measurement

(1) Fair value initial measurement

For the assets and liabilities measured by fair value, the Group takes into account the characteristics of the assets or liabilities and measures the fair value by adopting the price that a market participant would have to pay to sell an asset to receive or transfer a liability in an orderly transaction on the measurement day. When relevant assets or liabilities are measured at fair value, the transactions of market participants selling assets or transferring liabilities on the measurement date are orderly transactions under the current market conditions; orderly transactions in which an asset is sold or a liability is transferred take place in the principal market for the asset or liability concerned. If no principal market exists, the transaction is assumed to take place in the most advantageous market for the underlying asset or liability; the assumptions that market participants would use to maximize their economic benefits in pricing the asset or liability are adopted. When measuring non-financial assets at fair value, the ability of market participants to put the asset to its best use to generate economic benefits, or the ability to sell the asset to other market participants who can put it to best use to generate economic benefits is considered.

(2) Valuation technique

In measuring the underlying assets or liabilities at fair value, the Group uses valuation techniques that are applicable in the current circumstances and are supported by sufficient available data and other information. The main valuation techniques used include the market approach, the income approach and the cost approach. When applying valuation techniques, the relative observable input values are preferred; unobservable input values shall be used only if the relative observable input values are not available or not feasible to obtain.

(3) Fair value hierarchy

The Group determines the hierarchy of the fair value measurement results based on the lowest level at which the inputs that are significant to the fair value measurement as a whole fall: The level 1 input is the unadjusted quoted price in an active market for the same asset or liability that was available on the measurement date. An active market is one in which the underlying asset or liability is traded in sufficient volume and frequency to provide pricing information on an ongoing basis. Level 2 inputs are inputs that are directly or indirectly observable for the underlying asset or liability in addition to the level 1 inputs. Level 3 inputs are unobservable inputs for the underlying asset or liability.

V. Statement of accounting policies, changes in accounting estimates and corrections of errors

1. Change and impact of accounting policy

The Ministry of Finance issued "Accounting Standard for Business Enterprises No. 22 - Recognition and measurement of financial instruments "(revised 2017) (Caihui [2017] 7), "Accounting Standard for Business Enterprises No. 23 - Transfers of financial assets (revised 2017)" (Caihui [2017] No. 8), "Accounting Standard for Business Enterprises No. 24 - Hedge accounting (revised 2017)" (Caihui [2017] No. 9) and, on May 2nd, 2017, "Accounting Standard for Business Enterprises No. 37 - Presentation of financial instruments (revised 2017)" (Caihui [2017] No. 14) (hereinafter collectively referred to as the "new financial instruments standard"). The Ministry of Finance issued "Accounting Standard for Business Enterprises No. 14 - Revenue (Revised 2017)" (Caihui [2017] No. 22) on July 5th, 2017 (hereinafter collectively referred to as the "new revenue standard"). On December 13th, 2018, the Ministry of Finance issued the revised "Accounting Standard for Business Enterprises No. 21 - Leases" (hereinafter collectively referred to as the "the new standard on leases") and the Group has prepared its financial statements in accordance with the requirements of the above new standard from January 1st, 2021. The main effects of the change in accounting policy arising from the above new standard on the Group's financial statements as at January 1st, 2021 are as follows:

(1) 2021 (first-time) implementation of the new standard on financial instruments from 2021 onwards, adjusting for relevant items in the financial statements at the beginning of the year of implementation.

1) Consolidated balance sheet

Item	December 31st, 2020	January 1st, 2021	Adjustments
Cash and cash equivalents	10,640,256,767.14	10,638,221,447.11	-2,035,320.03
☆Trading financial assets		4,659,341,245.06	4,659,341,245.06
Financial assets at fair value through profit or loss	1,074,683,302.32		-1,074,683,302.32
Notes receivable	125,602,786.76	125,571,861.69	-30,925.07
Accounts receivable	1,355,628,734.79	1,259,014,008.35	-96,614,726.44
Other receivables	12,210,308,038.67	10,711,591,478.68	-1,498,716,559.99
Non-current assets due within one year	767,685,487.52	765,270,032.56	-2,415,454.96
Other current assets	34,447,966,657.92	28,880,036,432.84	-5,567,930,225.08
☆Debt investments		6,764,088,244.18	6,764,088,244.18
Available-for-sale financial assets	15,509,486,662.03		-15,509,486,662.03
Long-term receivables	30,950,007,905.07	30,901,163,305.45	-48,844,599.62
Long-term equity investments	9,619,177,115.74	9,484,570,876.48	-134,606,239.26
☆Investments in other equity instruments		5,581,037,463.35	5,581,037,463.35
☆Other non-current financial assets		5,409,912,510.93	5,409,912,510.93
Deferred income tax assets	647,171,498.23	2,193,948,782.92	1,546,777,284.69
Other non-current assets	4,078,308,642.20	498,191,320.15	-3,580,117,322.05

Item	December 31st, 2020	January 1 st , 2021	Adjustments	
Total asset class accounts	121,426,283,598.39	117,871,959,009.75	-3,554,324,588.64	
Estimated liabilities	28,338,818.93	32,527,788.13	4,188,969.20	
Deferred income tax liabilities	12,599,087.55	16,912,139.06	4,313,051.51	
Other comprehensive income	-31,517,815.05	-40,343,277.35	-8,825,462.30	
Undistributed profit	4,328,098,603.86	3,182,740,185.60	-1,145,358,418.26	
* Minority interests	18,044,869,268.15	15,636,226,539.36	-2,408,642,728.79	
Total liabilities equity accounts	22,382,387,963.44	18,828,063,374.80	-3,554,324,588.64	

- (2) 2021 (first time) implementation of the new leasing standard from 2021, adjusting for relevant items in the financial statements at the beginning of the year of implementation
 - 1) Consolidated balance sheet

Item	December 31st, 2020	January 1st, 2021	Adjustments
☆ Right-of-use assets		71,531,366.07	71,531,366.07
☆Lease liabilities		121,253,105.83	121,253,105.83
Undistributed profit		-49,721,739.76	-49,721,739.76

- (3) 2021 (first time) implementation of the new revenue standard from the year of implementation adjusts the relevant items in the financial statements at the beginning of the year of implementation
 - 2) Consolidated balance sheet

Item	December 31 st , 2020	January 1 st , 2021	Adjustments	
Receipts in advance	2,057,276,115.84	837,455,288.25	-1,219,820,827.59	
☆Contractual liabilities		1,219,820,827.59	1,219,820,827.59	

2. Changes and impacts of accounting estimate

There was no change in the Group's accounting estimate during the reporting period.

Important early error correction and impact

During the reporting period, the Group had no early error corrections.

VI. Taxation

1. Main tax categories and tax rates

Tax categories	Tax categories Taxation basis	
Corporate income tax	Taxable income	15%、25%
VAT	The output tax is calculated on the basis of the income from sales of goods and taxable services calculated in accordance with the provisions of the tax law, and the difference is the amount of VAT payable after deducting the input tax deductions allowed for the current period.	13%、9%、6%, percentage charges 3%,5%

Tax categories	Taxation basis	Tax rates
City maintenance and construction tax	Turnover tax payable	7%
Education surtax	Turnover tax payable	3%
Local education supplementary tax	Turnover tax payable	1.5%、2%

2. Tax incentives and approvals

- (1) On November 15th, 2019, Wuhan Changlian Laifu Pharmaceutical Co., Ltd., a subsidiary of the Group, obtained the Certificate of Advanced Technology Enterprises jointly issued by the Hubei Provincial Science Technology Department, the Hubei Provincial Department of Finance and the State Administration of Taxation Hubei Taxation Bureau. The certificate number is GR201942002015 and the validity period is three years. The Company's corporate income tax rate for 2019, 2020 and 2021 is 15%.
- (2) Wuhan Changxin Asset Management Co., Ltd., a subsidiary of the Group, is a small and micro business. According to the Announcement on Issues Related to the Implementation of the Policy of Universal Income Tax Reduction and Exemption for Small and Microprofit Enterprises issued by the State Administration of Taxation, from January 1st, 2019 to December 31st, 2021, for the part of the annual taxable income of small profit-making enterprises not exceeding RMB 1 million, the portion is deducted by 25% and included into the taxable income, and the enterprise income tax is paid at the rate of 20%. For the part of annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million, the portion is deducted by 50% and included into the taxable income, and the enterprise income tax is paid at the rate of 20%.
- (3) Wuhan Non-staple Food Commercial Reserve Co., Ltd., a subsidiary of the Group, has exempted some fresh meat and egg products from value-added tax in circulation in accordance with Notice of the State Administration of Taxation on Exemption of Value-added Tax in the Circulation of Some Fresh Meat and Egg Products (Cai Shui [2012] No.75) from October 1st, 2012.
- (4) Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd., a subsidiary of the Group, has carried out the regulation "VII. From April 1st, 2019 to December 31st, 2021, production and domestic service taxpayers are permitted to offset the tax payable with an additional 10% of the input tax deductible for the current period" in accordance with the Announcement of the Ministry of Finance, General Administration of Taxation and General Administration of Customs on Policies Concerning Deepening the Reform of Value-added Tax (Ministry of Finance, General Administration of Taxation and General Administration of Customs Announcement [2019] No.39) from April 1st, 2019.
- (5) Wuhan Roulian Food Co., Ltd., a subsidiary of the Group, exempts rent-based property tax and reduces price-based property tax by 91.5% in accordance with the Notice on the Continuation of the Preferential Policies on Property Tax and Urban Land Use Tax for Wholesale Agricultural Products Markets and Farmers' Markets (Cai Shui [2016] No.1). In accordance with the Notice on the Continuation of the Preferential Policies on Property Tax and Urban Land Use Tax for Wholesale Agricultural Products Markets and Farmers' Markets (Cai Shui [2016] No.1), and the Notice on the Continued Implementation of Preferential Policies on Urban Land Use Tax for Land Used for Bulk Commodity Storage Facilities by Logistics Enterprises from

the Ministry of Finance and State Administration and Taxation(Cai Shui [2017] No.33), the land use tax for land belonging to agricultural markets is fully reduced and a 50% of reduction in land for logistics.

VII. Corporate mergers and consolidated financial statements

1. Basic information of subsidiaries included in the scope of consolidated statements

No.	Company name	Level	Business type	Main place of business	Registration place	Nature of business
1	Wuhan Development Investment Co., Ltd.	ji.	1	Wuhan	Wuhan	Investment and development
2	Wuhan Communications Construction Investment Co., Ltd.	II	1	Wuhan	Wuhan	Construction and management of transportation infrastructure projects
3	Wuhan State-owned Industry Investment Co., Ltd.	II	1	Wuhan	Wuhan	Investment and development
4	Wuhan Construction Investment Co., Ltd.	II.	1	Wuhan	Wuhan	Local construction investment and development
5	Wuhan Yangtze River Economy United Development Co., Ltd.	TI.	1	Wuhan	Wuhan	Investment and development
6	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	IJ	1	Wuhan	Wuhan	Food logistics industry investment and development
7	Wuhan Yangluo Development Co., Ltd.	Ü	1	Wuhan	Wuhan	Investment in development of zone construction
8	Wuhan Financial Assets Exchange Co., Ltd.	П	1	Wuhan	Wuhan	Financial assets trading and consulting
9	Wuhan Yangtze Financial Services Co., Ltd.	ii.	1	Wuhan	Wuhan	Financial information and data processing service; Financial software technology development etc.
10	Wuhan Rongwei Escort Security Service Co., Ltd.	ii	1	Wuhan	Wuhan	Provision of escort and vault guarding services to financial institutions for cash, securities, gold, silver, jewelry and other valuables
11	Hubei Financial Leasing Co., Ltd.	п	2	Wuhan	Wuhan	Capital leasing business; transfer and assignment of financial leasin assets; interbank lending; borrowing from financial institutions; overseas borrowing; sale of leased property and disposal business, etc.
12	Guotong Trust Co., Ltd.	H)	2	Wuhan	Wuhan	Money trusts; trusts for movable property; trusts for immovable property; trusts for marketable securities; trusts for other propert or property rights
13	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	II	1	Wuhan	Wuhan	Supply chain management
14	Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	II	1	Wuhan	Wuhan	Wholesale and retail sales of petroleum products, technology development and transfer.
15	Wuhan International Exchange Service Center	п	1	Wuhan	Wuhan	Air passenger and freight sales agency business; educational, cultural and economic consulting services
16	Wuhan Yangluo Port Service Co., Ltd.	п	1	Wuhan	Wuhan	Cargo handling, loading and unloading services, information and consulting services for cargo

No.	Company name	Level	Business type	Main place of business	Registration place	Nature of business
						distribution, warehousing services
17	Wuhan Trade State-owned Holding Group Co., Ltd.	H	1	Wuhan	Wuhan	Management and investment of state-owned assets
18	Wuhan Changjiang Asset Operation Management Co., Ltd.	п	1	Wuhan	Wuhan	All kinds of asset acquisition, asset disposal and related industrial investment; enterprise and asset trust management, etc.

No.	Company name	Paid-In capital	Sharehol ding ratio (%)	Voting right (%)	Investment amount	Galnin g metho d
1	Wuhan Development Investment Co., Ltd.	3,000,000,000.00	100.00	100.00	5,490,718,826.76	4
2	Wuhan Communications Construction Investment Co., Ltd.	353,000,000.00	100.00	100.00	408,351,937.63	4
3	Wuhan State-owned Industry Investment Co., Ltd.	362,872,724.87	100.00	100.00	457,044,468.03	4
4	Wuhan Construction Investment Co., Ltd.	220,000,000.00	100.00	100.00	320,821,965.54	4
5	Wuhan Yangtze River Economy United Development Co., Ltd.	408,858,118.00	93.11	93.11	442,674,255.45	4
6	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	831,000,000.00	100.00	100.00	831,000,000.00	1
7	Wuhan Yangluo Development Co., Ltd.	555,000,000.00	100.00	100.00	553,426,881.58	4
8	Wuhan Financial Assets Exchange Co., Ltd.	120,000,000.00	75.00	75.00	90,000,000.00	1
9	Wuhan Yangtze Financial Services Co., Ltd.	270,000,000.00	80.00	80.00	220,714,836.97	1
10	Wuhan Rongwei Escort Security Service Co., Ltd.	260,000,000.00	100.00	100.00	270,643,110.29	4
11	Hubei Financial Leasing Co., Ltd.	3,000,000,000.00	49.00	49.00	1,470,000,000.00	1
12	Guotong Trust Co., Ltd.	3,200,000,000.00	67.51	67.51	6,774,763,105.61	3
13	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	1,000,000,000.00	100.00	100.00	1,000,000,000.00	1
14	Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	16,500,000.00	33.00	100.00	16,500,000.00	1
15	Wuhan International Exchange Service Center	6,000,000.00	100.00	100.00	2,126,833.93	4
16	Wuhan Yangluo Port Service Co., Ltd.	70,000,000.00	60.00	60.00	60,000,000.00	4
17	Wuhan Trade State-owned Holding Group Co., Ltd.	670,000,000.00	51.00	51.00	615,223,216.33	4
18	Wuhan Changjiang Asset Operation Management Co., Ltd.	144,200,000.00	100.00	100.00	202,917,893.25	1

Note: Business type: 1. domestic non-financial subsidiaries; 2. domestic financial subsidiaries; 3. oversea subsidiaries; 4. public institutions; 5. infrastructure units.

Gaining method: 1. established by investment; 2. a business combination under common control; 3. a business combination not under the same control; 4. others.

2. Reasons for owning less than half of the voting right of an investee but being able to exercise control over the investee

Company name	Sharehol ding ratio (%)	Voting right (%)	Registered capital	Investment amount	Level	Reason for incorporation
Hubei Financial Leasing Co., Ltd.	49.00	49.00	3,000,000,000.00	1,470,000,000.00	II	With actual control

In June 2015, the Company jointly established Hubei Financial Leasing Co., Ltd. with Wuhan Rural Commercial Bank Co., Ltd. and Jointown Pharmaceutical Group Co., Ltd., which was approved by the China Banking Regulatory Commission. According to the Investment Agreement, the Company is the largest shareholder and controls the business decisions of Hubei Financial Leasing Co., Ltd.

3. Changes in the scope of consolidation for the period.

There was no change in the scope of consolidation for the period.

VIII. Notes on significant items in the consolidated financial statements

- 1. Cash and cash equivalents
- (1) Balance of cash and cash equivalents

ltem	June 30 th , 2021	January 1 st , 2021
Cash on hand	4,543,639.57	2,677,975.16
Bank deposit	9,854,439,296.94	9,712,465,423.78
Other monetary funds	809,547,224.40	923,078,048.17
Total	10,668,530,160.91	10,638,221,447.11
Including: Total funds held outside the country		

(2) Breakdown of restricted monetary funds

Item	June 30 th , 2021	January 1 st , 2021
Banker' s acceptance deposit	265,292,307.25	72,431,721.44
Letters of credit deposit	21,066,312.49	12,015,950.72
Performance bond	219,631,284.94	199,766,859.58
Time or call deposits for security purposes	67,507,122.23	30,014,433.33
Others	32,978,859.90	32,998,966.21
Total	606,475,886.81	347,227,931.28

Note: Others are frozen bank deposits.

2. Trading financial assets

Nove	June 30 th , 2021	January 1 st , 2021	
Item	Fair value	Fair value	

Item	June 30 th , 2021 Fair value	January 1st, 2021 Fair value
Trading financial assets	5,596,329,208.24	4,652,721,933.06
Including: Investments in debt instruments	2,522,982,471.15	1,461,525,338.35
Investments in equity instruments	3,071,540,185.09	3,189,390,042.71
Others	1,806,552.00	1,806,552.00
Financial assets at fair value through profit or loss	9,378,204.00	6,619,312.00
Including: Investments in debt instruments		
Others	9,378,204.00	6,619,312.00
Total	5,605,707,412.24	4,659,341,245.06

3. Notes receivable

(1) Classification of notes receivable

	June 30 th , 2021				
Type of notes	Book balance	Provision for bad debts	Book value		
Bank acceptance bills	289,096,906.51	3,977,740.64	285,119,165.87		
Commercial acceptance bills	237,893,644.61	21,897,572.36	215,996,072.25		
Total	526,990,551.12	25,875,313.00	501,115,238.12		

(Continued)

	January 1st, 2021				
Type of notes	Book balance	Provision for bad debts	Book value		
Bank acceptance bills	125,542,786.76	30,079.33	125,512,707.43		
Commercial acceptance bills	60,000.00	845.74	59,154.26		
Total	125,602,786.76	30,925.07	125,571,861.69		

(2) Notes receivable endorsed or discounted as at June 30th, 2021 and not yet due at the balance sheet date

Type of notes	June 30 th , 2021 Derecognition amount	June 30 th , 2021 Derecognition amount	
Bank acceptance bills	426,500,000.00	119,158,979.54	
Commercial acceptance bills		113,662,032.54	
Total	426,500,000.00	232,821,012.08	

4. Accounts receivable

(1) Accounts receivable are presented by category as follows

_	June 30 th , 2021		
Туре	Book balance	Provision for bad debts	

	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with a single provision for bad debts	472,050,877.09	19.39	231,289,800.99	49.00	
Accounts receivable for which bad debt provision is made on a combination of credit risk characteristics	1,962,251,735.89	80.61	170,907,971.52	8.71	
Total	2,434,302,612.98	4.	402,197,772.51	_	

	January 1st, 2021				
Туре	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with a single provision for bad debts	477,656,844.87	28.03	301,077,046.86	63.03	
Accounts receivable for which bad debt provision is made on a combination of credit risk characteristics	1,226,689,139.93	71.97	144,254,929.59	11.76	
Total	1,704,345,984.80	-	445,331,976.45	_	

(2) Disclosure of accounts receivable by age

Age of accounts	June 30 th , 2021	January 1 st , 2021	
Within 1 year (Including 1 year)	1,426,139,197.52	750,509,497.44	
1—2 years	377,892,643.62	329,593,343.95	
2—3 years	284,961,526.34	250,190,592.31	
3—4 years	226,726,023.57	236,822,947.27 5,704,152.64	
4—5 years	13,916,798.93		
Over 5 years	104,666,423.00	131,525,451.19	
Subtotal	2,434,302,612.98	1,704,345,984.80	
Less: Provision for bad debts	402,197,772.51	445,331,976.45	
Total	2,032,104,840.47	1,259,014,008.35	

(3) Disclosure of receivables by method of provision for bad debts

	Amount		Proportion (%)		
Туре	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Accounts receivable with provision for bad debts by individual items	472,050,877.09	19.39	231,289,800.99	49.00	240,761,076.10
Accounts receivable with provision for bad debts on a portfolio basis	1,962,251,735.89	80.61	170,907,971.52	8.71	1,791,343,764.37

	June 30 th , 2021						
Туре	Amount		Proportion (%)				
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value		
Included in: Portfolio 1 Aged portfolio	1,023,672,245.82	42.05	78,378,982.52	7.66	945,293,263.30		
Portfolio 2 Combined operational receivables portfolio	839,245,669.07	34.48	92,528,989.00	11.03	746,716,680.07		
Portfolio 3 Low risk portfolio	99,333,821.00	4.08			99,333,821.00		
Total	2,434,302,612.98	-	402,197,772.51		2,032,104,840.47		

		January 1 st , 2021					
	Amount		Proportion (%)				
Туре	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value		
Accounts receivable with provision for bad debts by individual items	477,656,844.87	28.03	301,077,046.86	63.03	176,579,798.01		
Accounts receivable with provision for bad debts on a portfolio basis	1,226,689,139.93	71.97	144,254,929.59	11.76	1,082,434,210.34		
Included in: Portfolio 1 Aged portfolio	615,579,659.35	36.12	39,450,084.08	6.41	576,129,575.27		
Portfolio 2 Combined operational receivables portfolio	535,898,852.61	31.44	104,804,845.51	19.56	431,094,007.10		
Portfolio 3 Low risk portfolio	75,210,627.97	4.41			75,210,627.97		
Total	1,704,345,984.80	-	445,331,976.45		1,259,014,008.35		

(4) Accounts receivable with a single bad debt provision

Name of the debtor	Book balance	Bad debt amount	Expected credit loss ratio (%)	Reason for provision
Hubei Zhongjin Xinjia Car Rental Co., Ltd.	159,280,000.00	2,245,149.25	1.41	Overdue for return
Jizhong Energy International logistics Group Co., Ltd.	143,652,330.70	143,652,330.70	100.00	Unrecoverable
Wuhan Public Transport Group Co., Ltd.	57,810,224.56	331,245.20	0.57	Overdue for return
Wuhan Industrial Investment Asset Management Co., Ltd.	50,000,000.00	50,000,000.00	100.00	More than 5 years of age
Hubei Highway Passenger Transport Group Jiangxia Bus Co., Ltd.	26,852,558.54	605,312.55	2.25	Overdue for return
Tongyl Industrial Group Co., Ltd.	17,631,183.32	17,631,183.32	100.00	Not expected to be recovered
Shanghai Zhenrong Energy Co., Ltd.	12,221,474.08	12,221,474.08	100.00	Unrecoverable

Name of the debtor	Book balance	Bad debt amount	Expected credit loss ratio (%)	Reason for provision
Jinzhou Tongyi Jiahe Storage and Transportation Co., Ltd.	1,962,059.73	1,962,059.73	100.00	Not expected to be recovered
Anshan Hailiang Nonferrous Metal Material Manufacture Co., Ltd.	1,426,883.20	1,426,883.20	100.00	Not expected to be recovered
Others	595,623.00	595,623.00	100.00	
Tangshan Chaoyang Chemical Co., Ltd.	303,646.80	303,646.80	100.00	Not expected to be recovered
Shaoxing City Hengfeng Polyurethane Industry Co., Ltd.	83,729.24	83,729.24	100.00	Not expected to be recovered
Shandong Taifeng Mining Group Co., Ltd.	80,611.47	80,611.47	100.00	Not expected to be recovered
Changshu Yitong Polyurethane Product Co., Ltd.	64,156.65	64,156.65	100.00	Not expected to be recovered
Zhenjiang Shenglong Chemical Co., Ltd.	39,672.00	39,672.00	100.00	Not expected to be recovered
Wuhan Chensheng Mining Investment Co., Ltd.	30,754.00	30,754.00	100.00	The company does not expect to recover
Shandong Bluestar Dongda Co., Ltd.	11,730.20	11,730.20	100.00	Not expected to be recovered
Huludao Lianshan District Zhengmao Ferroalloy Factory	4,239.60	4,239.60	100.00	Not expected to be recovered
Total	472,050,877.09	231,289,800.99		

- (5) Accounts receivable with provision for bad debts based on a portfolio of credit risk characteristics
 - 1) Accounts receivable for which provision for bad debts is made using aging analysis

	June 30 th , 2021			
Aging structure	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Provision for bad debts	
Within 1 year (Including 1 year)	789,384,180.95	77.11	23,531,441.56	
1—2 years	145,624,088.52	14.23	8,694,615.39	
2—3 years	8,444,857.46	0.82	810,213.84	
3—4 years	31,388,540.01	3.07	8,143,729.20	
45 years	10,453,532.30	1.02	3,136,059.69	
Over 5 years	38,377,046.58	3.75	34,062,922.84	
Total	1,023,672,245.82		78,378,982.52	

	January 1 st , 2021			
Aging structure	Book balance			
	Amount	Proportion (%)	Provision for bad debts	
Within 1 year (Including 1 year)	409,161,472.47	66.47	2,181,083.83	
1—2 years	95,370,813.37	15.49	192,974.04	
2—3 years	59,398,578.92	9.65	65,909.13	
3—4 years	21,836,037.67	3.55	7,197,360.16	
4—5 years				
Over 5 years	29,812,756.92	4.84	29,812,756.92	
Total	615,579,659.35		39,450,084.08	

2) Accounts receivable for which provision for bad debts is made using other portfolios of methods

	June 30 th , 2021		
Portfolio name	Book balance	Proportion (%)	Provision for bad debts
Portfolio 2 Combined operational portfolio	839,245,669.07	11.03	92,528,989.00
Portfolio 3 Low risk portfolio	99,333,821.00		
Total	938,579,490.07		92,528,989.00

(Continued)

c.	January 1st, 2021		
Portfolio name	Book balance	Proportion (%)	Provision for bad debts
Portfolio 2 Combined operational portfolio	535,898,852.61	19.56	104,804,845.51
Portfolio 3 Low risk portfolio	75,210,627.97		
Total	611,109,480.58		104,804,845.51

5. Receivables financing

Туре	June 30 th , 2021	January 1 st , 2021
Notes receivable	38,248,609.68	
Accounts receivable		
Total	38,248,609.68	

6. Prepayments

(1) Aging of prepayments

	June 30 th , 2021		
Aging	Book value		Provision for bad debts
	Amount	Proportion (%)	Provision for bad debts

	June 30 th , 2021		
Aging	Book value		Provision for bad debts
	Amount	Proportion (%)	Provision for bad debts
Within 1 year (Including 1 year)	3,631,268,246.92	93.85	22,090.93
1—2 years	61,518,753.70	1.59	6,139.34
2—3 years	5,521,947.06	0.14	2,946.51
Over 3 years	170,725,662.57	4.41	
Total	3,869,034,610.25	y.	31,176.78

	Jan	uary 1 st , 2021	
Aging	Book value		Provision for bad
	Amount	Proportion (%)	debts
Within 1 year (Including 1 year)	3,383,475,360.68	95.06	89,592.76
1—2 years	6,285,584.45	0.18	2,946.51
2—3 years	5,287,256.59	0.15	
Over 3 years	164,110,218.72	4.61	
Total	3,559,158,420.44	***	92,539.27

7. Other receivables

Item	June 30 th , 2021	January 1 st , 2021
Interest receivable	459,033,498.85	309,022,501.51
Dividends receivable	527,967.72	121,840.00
Other receivables	12,634,061,689.82	10,402,447,137.17
Total	13,093,623,156.39	10,711,591,478.68

(1) Interest receivable

Item	June 30 th , 2021	January 1 st , 2021
Fixed deposit		
Entrusted loan	2,405,621.85	590,621.84
Bond investment		
Others	456,627,877.00	308,431,879.67
Total	459,033,498.85	309,022,501.51

Note: Other items are mainly for capital charges payable on the provision of funds to participating companies.

(2) Dividends receivable

ltem	June 30 th , 2021	January 1 st , 2021	Reasons for non-recovery	Whether impairment has occurred and the basis for judgment
Dividends receivable less than one year old	406,127.72			No
Including: 1. Bank of Communications Co., Ltd.	406,127.72			No
Dividends receivable more than one year	121,840.00	121,840.00		
Including: 1. Hubei Radio and Television Information Network Co., Ltd.	121,840.00	121,840.00	Consultations in progress	No
Total	527,967.72	121,840.00		

(3) Other receivables

	June 30 th , 2021					
Туре	Book balance	Provision for bad debts				
	Amount	Proportion (%)	Amount	Proportio n (%)		
Other receivables for which a separate provision for bad debts has been made	2,032,576,940.19	12.62	1,622,129,786.67	79.81		
Other receivables for which provision for bad debts is made on the basis of a combination of credit risk characteristics	14,073,331,179.14	87.38	1,849,716,642.84	13.14		
Including: Portfolio 1 Aged portfolio	1,702,271,753.86	10.57	88,690,540.30	5.21		
Portfolio 2 Combined operational receivables portfolio	4,604,189,859.85	28.59	1,761,026,102.54	38.25		
Portfolio 3 Low risk portfolio	7,766,869,565.43	48.22				
Total	16,105,908,119.33	-	3,471,846,429.51	-		

(Continued)

	January 1 st , 2021					
Туре	Book balance	Provision for bad debts				
	Amount	Proportion (%)	Amount	Proportio n (%)		
Other receivables for which a separate provision for bad debts has been made	802,091,423.96	5.79	379,374,611.03	47.30		
Other receivables for which provision for bad debts is made on the basis of a combination of credit risk characteristics	13,058,765,874.41	94.21	3,079,035,550.17	23.58		
Including: Portfolio 1 Aged portfolio	3,014,031,639.84	21.74	1,313,056,315.74	43.56		
Portfolio 2 Combined operational receivables portfolio	4,574,430,942.93	33.00	1,765,979,234.43	38.61		
Portfolio 3 Low risk portfolio	5,470,303,291.64	39.47				
Total	13,860,857,298.37	-	3,458,410,161.20			

1) Disclosure of other receivables by age

Age of accounts	ge of accounts June 30 th , 2021	
Within 1 year (Including 1 year)	7,738,263,395.07	6,171,725,954.96
1—2 years	4,246,815,974.70	3,708,342,917.78
2—3 years	720,344,348.64	750,355,671.52
3 — 4 years	546,249,042.14	634,053,373.23
4—5 years	342,503,050.14	1,278,347,866.35
Over 5 years	2,511,732,308.64	1,318,031,514.53
Subtotal	16,105,908,119.33	13,860,857,298.37
Less: Provision for bad debts	3,471,846,429.51	3,458,410,161.20
Total	12,634,061,689.82	10,402,447,137.17

- 2) Other receivables with provision for bad debts based on a portfolio of credit risk characteristics
 - Other receivables for which provision for bad debts is made using the aging analysis method

	June 30 th , 2021				
Aging structure	Book balance				
	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (Including 1 year)	397,799,700.45	23.37	1,046,998.81		
1—2 years	728,468,050.12	42.79	704,290.05		
2—3 years	448,347,245.05	26.34	4,177,544.11		
3—4 years	54,309,124.92	3.19	11,610,640.19		
4—5 years	3,537,582.51	0.21	1,557,332.35		
Over 5 years	69,810,050.81	4.10	69,593,734.79		
Total	1,702,271,753.86	100.00	88,690,540.30		

	January 1 st , 2021				
Aging structure	Book balance				
	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (Including 1 year)	1,778,894,116.25	59.02	1,226,926,944.06		
1—2 years	1,023,202,487.18	33.95	181,643.76		
2—3 years	115,640,798.32	3.84	3,810,431.08		
3—4 years	26,866,819.33	0.89	12,709,878.08		
4—5 years					
Over 5 years	69,427,418.76	2.30	69,427,418.76		
Total	3,014,031,639.84	100.00	1,313,056,315.74		

b) Other receivables for which provision for bad debts is made using other methods

	June 30 th , 2021			
Portfolio name	Amount	Proportion (%)	Provision for bad debts	
Portfolio 2 Combined operational portfolio	4,604,189,859.85	38.25	1,761,026,102.54	
Portfolio 3 Low risk portfolio	7,766,869,565.43			
Total	12,371,059,425.28		1,761,026,102.54	

(Continued)

D 16 II	January 1 st , 2021		
Portfollo name	Amount	Proportion (%)	Provision for bad debts
Portfolio 2 Combined operational portfolio	4,574,430,942.93	38.61	1,765,979,234.43
Portfolio 3 Low risk portfolio	5,470,303,291.64		
Total	10,044,734,234.57		1,765,979,234.43

3) Top five balances of other receivables with a single bad debt provision

Name of debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason
Defuqin Company asset package	1,236,205,355.79	1,216,088,264.04	Over 5 years	98.37	Not expected to be fully recovered
Donghu New Energy Automobile Co., Ltd.	77,509,333.00	23,252,799.90	2-5 years	30.00	Not expected to be fully recovered
Donghu Xianfeng Village Committee	71,324,043.46	33,029,687.99	1-5 years	46.31	Not expected to be fully recovered
Shandong Yixing Electric Auto Co., Ltd.	69,251,133.57	19,733,502.61	Within 1 year	28.50	Not expected to be fully recovered
Yangtse Motor Group Co., Ltd.	58,427,575.73	40,989,833.73	1-3 years	70.15	Not expected to be fully recovered
Total	1,512,717,441.55	1,333,094,088.27	-		-

8. Inventory

	June 30 th , 2021				
Portfolio Name	Book balance	Falling price reserves	Book value		
Raw materials	107,207,149.76	1,167,280.48	106,039,869.28		
Self-made semi-finished and in-process products	1,645,564,067.40	40,752,687.46	1,604,811,379.94		
Goods in stock	4,607,611,879.83	549,995,970.24	4,057,615,909.59		
Turnover materials	32,221,764.82	1,386,781.86	30,834,982.96		
Biological expendable assets					
Others	3,665,824,593.11	2,125,329.88	3,663,699,263.23		

		June 30 th , 2021	
Portfolio Name	Book balance	Falling price reserves	Book value
Total	10,058,429,454.92	595,428,049.92	9,463,001,405.00

B. Malla Mana	January 1 st , 2021				
Portfolio Name	Book balance	Falling price reserves	Book value		
Raw materials	3,468,186.36	714,788.58	2,753,397.78		
Self-made semi-finished and in-process products	1,461,122,808.15	120,337,502.63	1,340,785,305.52		
Goods in stock	4,248,503,805.74	446,176,688.22	3,802,327,117.52		
Turnover materials	3,016,031.69	29,849.50	2,986,182.19		
Biological expendable assets	46,500.00		46,500.00		
Others	3,895,694,115.93		3,895,694,115.93		
Total	9,611,851,447.87	567,258,828.93	9,044,592,618.94		

9. Assets held for sale

Item	June 30 th , 2021 Book value	June 30 th , 2021 Book value
SIP equipment	5,649,215.93	5,649,215.93
Equity in Shanghai Kanwo Technology Co., Ltd.	720,000.00	720,000.00
Total	6,369,215.93	6,369,215.93

10. Non-current assets due within one year

ltem	June 30 th , 2021 Book value	January 1 st , 2021 Book value
Long-term receivables due within one year	1,075,415,051.91	765,270,032.56
Including: Provision for impairment		
Total	1,075,415,051.91	765,270,032.56

11. Other current assets

ltem	June 30 th , 2021	January 1 st , 2021
Net entrusted loans and non-performing asset packages	20,398,916,724.50	25,977,813,770.16
Unbundled funds	1,745,115,734.10	1,150,766,302.58
Targeted claims	994,175,524.33	1,094,175,524.33
Value added tax (VAT) retained tax credit	328,298,193.46	439,338,454.86
Purchased and sold financial assets	100,003,000.00	138,004,140.00
Others	73,367,689.24	5,909,312.91
Prepaid tax	57,925,678.22	25,693,592.20

Item	June 30 th , 2021	January 1st, 2021
Amortised expenses	14,692,938.56	30,950,426.97
Wealth management products	9,000,000.00	7,000,000.00
Input tax pending certification	384,908.83	384,908.83
Structured deposits		10,000,000.00
Total	23,721,880,391.24	28,880,036,432.84

12. Debt investments

Item	June 30 th , 2021 Book value	January 1 st , 2021 Book value	
Debt investments	7,191,437,514.44	6,764,088,244.18	
Total	7,191,437,514.44	6,764,088,244.18	

Top five debt investments at June 30th, 2021

	June 30 th , 2021			
Item	Book balance	Impairment provision	Book value	
Shanwei Hengruixiang Real Estate Development Co., Ltd.	1,000,000,000.00	4,821,600.00	995,178,400.00	
Hainan Dongpeng Xiangtai Real Estate Development Co., Ltd Targeted debt investment	510,000,000.00	1,272,298.53	508,727,701.47	
Hubei Yujiatou Group Co., Ltd Targeted debt investment	139,968,000.00	756,328.91	139,211,671.09	
Wuhan Zhuzi Trading Co., Ltd.	97,711,321.36	2,985,098.25	94,726,223.11	
Hubei Heji Investment Co., Ltd.	88,500,000.00	2,655,000.00	85,845,000.00	
Total	1,836,179,321.36	12,490,325.69	1,823,688,995.67	

(Continued)

	January 1st, 2021			
Item	Book balance	Impairment provision	Book value	
Shanwei Hengruixiang Real Estate Development Co., Ltd.	1,000,000,000.00	4,821,600.00	995,178,400.00	
Hainan Dongpeng Xiangtai Real Estate Development Co., Ltd Targeted debt investment	330,000,000.00	1,272,298.53	328,727,701.47	
Hubei Yujiatou Group Co., Ltd Targeted debt investment	139,968,000.00	756,328.91	139,211,671.09	
Wuhan Zhuzi Trading Co., Ltd.	92,001,056.80	2,985,098.25	89,015,958.55	
Hubei Heji Investment Co., Ltd.	88,500,000.00	2,655,000.00	85,845,000.00	
Total	1,650,469,056.80	12,490,325.69	1,637,978,731.11	

13. Long-term receivables

	June 30 th , 2021			
ltem	Book balance	Impairment provision	Book value	
Finance Lease	38,298,385,756.48	1,116,838,142.77	37,181,547,613.71	
Including: Unrealized finance Income	3,933,611,705.22		3,933,611,705.22	
Sales of goods by instalments	395,480,300.15	509,699.18	394,970,600.97	
Others				
Total	38,693,866,056.63	1,117,347,841.95	37,576,518,214.68	

Item	January 1 st , 2021			
Kem	Book balance	Impairment provision	Book value	
Finance Lease	31,387,264,072.14	1,038,240,303.79	30,349,023,768.35	
Including: Unrealized finance income	3,003,082,056.19		3,003,082,056.19	
Sales of goods by instalments	574,158,727.93	22,019,190.83	552,139,537.10	
Others				
Total	31,961,422,800.07	1,060,259,494.62	30,901,163,305.45	

14. Long-term equity investments

(1) Classification of long-term equity investments

Item	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Investments in subsidiaries				
Investments in joint ventures				
Investments in associates	9,619,501,712.21	515,199,732.73	47,272,000.00	10,087,429,444.94
Subtotal	9,619,501,712.21	515,199,732.73	47,272,000.00	10,087,429,444.94
Less: Provision for impairment of long-term investments	134,930,835.73			134,930,835.73
Total	9,484,570,876.48	515,199,732.73	47,272,000.00	9,952,498,609.21

15. Investments in other equity instruments

ltem	June 30 th , 2021	January 1 st , 2021	
Investments in other equity instruments	5,648,005,301.00	5,581,037,463.35	
Total	5,648,005,301.00	5,581,037,463.35	

Top five investments in other equity instruments at June 30^{th} , 2021

ltem	June 30 th , 2021	January 1st, 2021
National Integrated Circuit Industry Investment Fund Co., Ltd.	5,000,000,000.00	5,000,000,000.00
Wuhan Recycling Industry Investment Fund (Limited Partnership)	450,000,000.00	450,000,000.00

Item	June 30 th , 2021	January 1st, 2021
Foshan Baoli Defense Equity Investment Partnership (Limited Partnership)	50,000,000.00	
Equity in Wuhan International Exhibition Center Co., Ltd.	30,745,200.00	
Donghu Industrial Investment Fund Management Co., Ltd.	30,600,000.00	30,600,000.00
Total	5,561,345,200.00	5,480,600,000.00

16. Other non-current financial assets

Item	June 30 th , 2021 Book value	January 1 st , 2021 Book value	
Other non-current financial assets	6,251,595,747.35	5,409,912,510.93	
Total	6,251,595,747.35	5,409,912,510.93	

Top five other non-current financial assets at June 30th, 2021

ltem	June 30th, 2021 Book value	January 1 st , 2021 Book value
Hubei United Development Investment Group Co., Ltd.	1,622,027,699.01	1,707,689,478.76
Hubei Triumphal Arch Plaza Shopping Center Co., Ltd.	1,063,798,750.01	1,074,081,461.45
Tianfeng Securities Co., Ltd.	950,611,246.92	
Huaneng Wuhan Power Generation Co., Ltd.	648,451,223.88	648,451,223.88
Guanghe Steel	489,288,452.86	506,052,820.79
Total	4,774,177,372.68	3,936,274,984.88

17. Investment property

Item	January 1st, 2021	Increase in current period	Decrease in current period	June 30th, 2021
Total original book value	1,834,067,352.02	97,660,058.89	695,273,734.74	1,236,453,676.17
Including: Houses and buildings	1,647,513,203.72	97,660,058.89	566,309,823.83	1,178,863,438.78
Land use right	186,554,148.30		128,963,910.91	57,590,237.39
Total accumulated depreciation (amortization)	358,762,374.53	18,568,667.98	119,628,550.13	257,702,492.38
Including: Houses and buildings	337,385,088.65	17,992,765.60	109,180,085.18	246,197,769.07
Land use right	21,377,285.88	575,902.38	10,448,464.95	11,504,723.31
Total net book value	1,475,304,977.49			978,751,183.79
Including: Houses and buildings	1,310,128,115.07			932,665,669.71
Land use right	165,176,862.42			46,085,514.08
Total impairment provision				
Including: Houses and buildings				
Land use right				
Total book value	1,475,304,977.49			978,751,183.79

ltem	January 1st, 2021	Increase in current period	Decrease in current period	June 30th, 2021
Including: Houses and buildings	1,310,128,115.07			932,665,669.71
Land use right	165,176,862.42			46,085,514.08

18. Fixed assets

Item	June 30th, 2021	January 1 st , 2021
Fixed asset	4,112,308,079.62	2,823,844,446.80
Fixed asset liquidation	332,335.89	108,597.71
Total	4,112,640,415.51	2,823,953,044.51

(1) Fixed asset

Fixed asset status

Item	January 1st, 2021	Increase in current period	Decrease in current period	June 30th, 2021
Total original book value	4,857,824,154.86	4,558,959,191.26	477,936,425.50	8,938,846,920.62
Including: Land asset	9,275,000.00			9,275,000.00
Houses and buildings	2,461,685,024.60	1,726,104,591.30	215,691,025.00	3,972,098,590.90
Machinery and equipment	446,844,106.32	2,572,904,273.35	198,210,470.10	2,821,537,909.57
Means of transportation	1,733,049,787.78	116,670,209.97	28,961,955.66	1,820,758,042.09
Electronic equipment	84,391,627.43	137,532,512.23	15,115,940.11	206,808,199.55
Office equipment	67,269,844.96	3,391,194.61	8,337,548.80	62,323,490.77
Hotel industry furniture	86,387.62	34,774.42		121,162.04
Others	55,222,376.15	2,321,635.38	11,619,485.83	45,924,525.70
Total accumulated depreclation	2,033,956,366.48	2,998,235,384.50	269,863,415.92	4,762,328,335.06
Including: Land asset				
Houses and buildings	690,197,219.97	773,675,162.67	102,404,137.21	1,361,468,245.43
Machinery and equipment	280,951,623.59	1,916,929,138.84	120,110,855.27	2,077,769,907.16
Means of transportation	906,974,956.40	172,594,281.74	21,193,601.46	1,058,375,636.68
Electronic equipment	73,306,920.89	129,728,223.88	13,592,387.30	189,442,757.47
Office equipment	47,186,009.98	2,915,248.11	5,595,673.19	44,505,584.90
Hotel industry furniture	5,471.20	2,388.65		7,859.85
Others	35,334,164.45	2,390,940.61	6,966,761.49	30,758,343.57
Total net fixed assets	2,823,867,788.38			4,176,518,585.56
Including: Land asset	9,275,000.00			9,275,000.00
Houses and buildings	1,771,487,804.63			2,610,630,345.47
Machinery and equipment	165,892,482.73			743,768,002.41

Item	January 1st, 2021	Increase in current perlod	Decrease in current period	June 30th, 2021
Means of transportation	826,074,831.38			762,382,405.41
Electronic equipment	11,084,706.54			17,365,442.08
Office equipment	20,083,834.98	-	3-4-	17,817,905.87
Hotel industry furniture	80,916.42	:		113,302.19
Others	19,888,211.70			15,166,182.13
Total impairment of fixed assets	23,341.58	64,210,505.94	23,341.58	64,210,505.94
Including: Land asset				
Houses and buildings		31,102,126.28		31,102,126.28
Machinery and equipment	23,341.58	30,365,207.20	23,341.58	30,365,207.20
Means of transportation		2,358,131.64		2,358,131.64
Electronic equipment		385,040.82		385,040.82
Office equipment				
Hotel industry furniture				
Others				
Total book value of fixed assets	2,823,844,446.80			4,112,308,079.62
Including: Land asset	9,275,000.00			9,275,000.00
Houses and buildings	1,771,487,804.63			2,579,528,219.19
Machinery and equipment	165,869,141.15			713,402,795.21
Means of transportation	826,074,831.38			760,024,273.77
Electronic equipment	11,084,706.54			16,980,401.26
Office equipment	20,083,834.98			17,817,905.87
Hotel industry furniture	80,916.42			113,302.19
Others	19,888,211.70			15,166,182.13

19. Construction in progress

Item	June 30th, 2021	January 1st, 2021
Construction in progress	3,445,913,672.81	3,148,172,258.06
Engineering materials	208,230.00	208,230.00
Total	3,446,121,902.81	3,148,380,488.06

20. Productive biological assets

Category	January 1 st , 2021	Increase in current period	Decrease In current period	June 30th, 2021
Livestock				
farming	85,792.43		15,893.58	69,898.85

Category	January 1 st , 2021	Increase in current period	Decrease in current period	June 30th, 2021
Including: Security dogs	85,792.43		15,893.58	69,898.85
Forestry	1,112,398.79		82,399.91	1,029,998.88
Including: Camphor, laurel, sequoia and other seedlings	1,112,398.79		82,399.91	1,029,998.88
Total	1,198,191.22		98,293.49	1,099,897.73

21. Right-of-use assets

Item	January 1st, 2021	Increase in current period	Decrease in current period	June 30th, 2021
Total original book value	71,531,366.07	15,918,947.81	3,902.39	87,446,411.49
Including: Land				
Houses and buildings	71,515,756.51	9,752,772.78		81,268,529.29
Others	15,609.56	6,166,175.03	3,902.39	6,177,882.20
Total accumulated depreciation		7,989,680.62		7,989,680.62
Including: Land				
Houses and buildings		7,782,052.51		7,782,052.51
Others		207,628.11		207,628.11
Total net fixed assets	71,531,366.07			79,456,730.87
Including: Land				
Houses and buildings	71,515,756.51			73,486,476.78
Others	15,609.56			5,970,254.09
Total impairment of fixed assets				
Including: Land				
Houses and buildings				
Others				
Total book value of fixed assets	71,531,366.07			79,456,730.87
Including: Land				
Houses and buildings	71,515,756.51			73,486,476.78
Others	15,609.56			5,970,254.09

22. Intangible assets

(1) Classification of intangible assets

Item	January 1st, 2021	Increase in current period	Decrease in current period	June 30th, 2021	
Total original cost	1,490,925,551.66	1,403,147,445.90	333,428,604.97	2,560,644,392.59	
Software	68,515,971.14	4,626,537.57	2,334,540.41	70,807,968.30	

Item	January 1 st , 2021	Increase in current period	Decrease in current period	June 30th, 2021
Land use right	1,409,119,288.45	1,223,736,741.14	325,654,468.87	2,307,201,560.72
Patent rights	5,438,015.49	46,089,250.78	5,438,015.49	46,089,250.78
Non-patented technology	7,281,030.00	128,694,916.41		135,975,946.41
Trademark rights	489,446.58		1,580.20	487,866.38
Authorships	1,800.00			1,800.00
Others	80,000.00			80,000.00
Total accumulated amortization	270,088,576.95	314,516,395.81	69,483,469.61	515,121,503.15
Software	36,112,835.85	5,559,737.54	660,036.15	41,012,537.24
Land use right	228,753,459.09	219,678,861.45	66,761,426.36	381,670,894.18
Patent rights	2,062,007.10	46,264,442.20	2,062,007.10	46,264,442.20
Non-patented technology	2,708,309.77	43,012,584.82		45,720,894.59
Trademark rights	451,065.14	769.80		451,834.94
Authorships	900.00			900.00
Others				
Total accumulated amount of impairment provision	1,999,115.00			1,999,115.00
Software				
Land use right				
Patent rights			-	
Non-patented technology	1,999,115.00			1,999,115.00
Trademark rights		3		
Authorships				
Others				
Total book value	1,218,837,859.71			2,043,523,774.44
Software	32,403,135.29			29,795,431.06
Land use right	1,180,365,829.36			1,925,530,666.54
Patent rights	3,376,008.39			-175,191.42
Non-patented technology	2,573,605.23			88,255,936.82
Trademark rights	38,381.44			36,031.44
Authorships	900.00			900.00
Others	80,000.00			80,000.00

23. Development costs

M	January 1st,	Increase In current period		
Item	2021	Internal Development costs	Others	
019 - High precision GNSS chips		41,842,007.38		
Low cost, low power monitoring receivers		1,585,609.64		

	January 1st,	Increase in current period	
Item	2021	Internal Development costs	
Neural network task allocation system for distributed internet of things	291,262.14		
GIS research in environmental research in Wuhan	47,169.81		
Annual patent fee		4,620.00	
Total	338,431.95	43,432,237.02	

(Continued)

		Decrease in current period		
Item	Recognized as an Intangible asset	Transfer to current profit or loss	Others	June 30th, 2021
019 - High precision GNSS chips	8,211.90	2,119,247.22		39,714,548.26
Low cost, low power monitoring receivers	1,585,609.64			
Neural network task allocation system for distributed internet of things				291,262.14
GIS research in environmental research in Wuhan				47,169.81
Annual patent fee	1)	4,620.00		
Total	1,593,821.54	2,123,867.22		40,052,980.21

24. Goodwill

(1) Book value of goodwill

Name of investee or Matters that create goodwill	January 1st, 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Wuhan Cheng Sheng Pawnshop Co., Ltd.	2,800,000.00			2,800,000.00
Wuhan Finance & Leasing Co., Ltd.	1,542,896.65			1,542,896.65
State Communications Trust Co. Ltd.	2,945,687,630.04			2,945,687,630.04
Wuhan Tons cold storage Logistics Co. Ltd.	26,284,230.63			26,284,230.63
Yangzhou Qinqintons cold storage Logistics Co. Ltd.	2,552,856.70			2,552,856.70
Wuhan Badatong Agricultural Products Logistics Co. Ltd.	26,539,825.65		26,539,825.65	
Shayang Tianyi Pharmaceutical Co. Ltd.	1,420,595.66		1,420,595.66	
Hubei Changlian Durer Pharmaceutical Co. Ltd.	13,043,428.96		13,043,428.96	
Dalian Shengfa Real Estate Co. Ltd.	62,142,323.73			62,142,323.73
Handan Fa Xing Real Estate Development Co. LTD	27,519,688.63			27,519,688.63
Shenyang Xingshi Real Estate Development Co. Ltd.	67,039,398.92			67,039,398.92
Hangjin Technology Co.,		2,389,692,834.56		2,389,692,834.56

Name of investee or Matters that create goodwill	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Ltd.				
Chongqing GaoJun Trading Co., Ltd.		1,889,334.34		1,889,334.34
Chongqing Qinken Trading Co., Ltd.		912,263.71		912,263.71
Total	3,176,572,875.57	2,392,494,432.61	41,003,850.27	5,528,063,457.91

Note: Goodwill of RMB 2,389,692,834.56 was formed during the period as a result of the consolidation of Hangjin Technology Co., Ltd. by Wuhan Xinneng Industrial Development Co., Ltd., a subsidiary of the Group.

(2) Goodwill impairment provision

Name of investee or goodwill formation	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Dalian Shengfa Real Estate Co., Ltd.	62,142,323.73			62,142,323.73
Handan Fa Xing Real Estate Development Co., Ltd.	27,519,688.63			27,519,688.63
Shenyang Xingshi Real Estate Development Co., Ltd.	67,039,398.92			67,039,398.92
Shayang Tianyi Pharmaceutical Co., Ltd.	1,420,595.66		1,420,595.66	
Total	158,122,006.94		1,420,595.66	156,701,411.28

25. Long-term prepayment

Item	January 1st, 2021	Increase in current period	Amortisation for the period
Renovation and maintenance costs	53,297,305.86	69,145,841.65	18,829,068.71
Network platform, software and information technology costs	5,071,820.09		1,539,074.97
Others	4,270,425.62	5,028,002.67	2,787,489.05
Total	62,639,551.57	74,173,844.32	23,155,632.73

(Continued)

Item	Other decrease in the period	June 30 th , 2021	Other reasons for decrease
Renovation and maintenance costs	-	103,614,078.80	
Network platform, software and information technology costs	1,470,000.00	2,062,745.12	
Others	-	6,510,939.24	
Total	1,470,000.00	112,187,763.16	

26. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities are not shown net of offsets

1		
Item	June 30 th , 2021	January 1st, 2021

	Deferred tax assets/liabilities	Deductible or taxable Temporary differences In taxes	Deferred tax assets/llabilities	Deductible or taxable Temporary differences in taxes
Deferred tax assets:				
Provision for impairment of assets	1,475,601,310.12	5,976,721,555.27	1,446,689,038.45	5,791,532,191.90
Start-up expenses				
Deductible losses	22,104,728.12	133,469,097.71		
Employee benefits payable	48,964,013.37	195,856,053.48	43,420,795.97	173,683,183.88
Estimated liabilities				
Technology development fees				
Trading financial assets	683,763,187.40	2,735,052,749.53	683,798,647.40	2,734,923,802.03
Others	24,256,769.34	101,407,096.80	20,040,301.11	87,576,404.19
Subtotal	2,254,690,008.35	9,142,506,552.79	2,193,948,782.92	8,787,715,582.00
Deferred tax assets:				
Valuation of trading financial instruments, derivative financial instruments	11,749,799.77	46,999,143.11	12,329,049.72	49,316,198.89
Changes in fair value of available-for-sale financial assets included in other comprehensive income				
Appraisal of increase in fair value			1,371,560.31	6,929,761.78
Changes in fair value of other financial assets included in other comprehensive income	2,817,675.33	11,270,701.28	3,211,529.03	12,846,116.10
Others	89,565,764.62	616,385,184.80		
Subtotal	104,133,225.72	674,655,029.19	16,912,139.06	69,092,076.77

Note: The others in deferred tax liabilities are all attributable to the valuation increment on the consolidation of Hangjin Technology Co., Ltd.

27. Other non-current assets

Item	June 30 th , 2021	January 1st, 2021
Input VAT to be deducted	13,215,658.08	9,701,701.04
Debt-offsetting assets	302,357,177.95	302,357,177.95
Acquisition payment of long-term assets	1,811,200.00	

Item	June 30 th , 2021	January 1 st , 2021
Prepaid taxes	2,604,332.53	2,329,166.67
Prepaid land payment for cold chain logistics park project	106,260,000.00	106,260,000.00
Prepaid acquisition payment of long-term assets		2,002,402.45
Shangkong Industry-Other non-current assets	35,064,958.20	13,409,372.04
Film investment	10,461,500.00	10,461,500.00
Investment Fund Special Account of Wuliangye	40,000,000.00	40,000,000.00
Others	12,729,662.84	11,670,000.00
Total	524,504,489.60	498,191,320.15

28. Short-term loans

(1) Classification of short-term loans

Item	June 30 th , 2021	Januarγ 1 st , 2021
Pledged loan	188,469,274.61	
Secured loan	613,500,000.00	431,737,944.48
Guaranteed loans	3,049,767,827.62	1,514,760,071.88
Credit loan	5,094,600,000.00	2,708,505,600.00
Total	8,946,337,102.23	4,655,003,616.36

29. Notes payable

Categories	June 30 th , 2021	January 1st, 2021
Bank acceptance	1,047,470,214.90	398,559,721.44
Trade acceptance	6,823,200.00	
Total	1,054,293,414.90	398,559,721.44

30. Accounts payable

(1) Status of accounts payable

Aging	June 30 th , 2021		January 1 st , 2021	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	995,756,901.16	78.42	247,640,276.13	45.31
1-2 years (including 2 years)	75,106,073.85	5.92	61,398,077.27	11.24
2-3 years (including 3 years)	57,412,495.93	4.52	127,354,442.94	23.31
Over 3 years	141,433,109.70	11.14	110,041,438.04	20.14
Total	1,269,708,580.64	100.00	546,434,234.38	100.00

31. Advances from customers

(1) Status of advances from customers

	June 30 th , 2021		January 1 st , 2021	
Aging	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	575,693,093.56	68.07	679,867,284.05	81.18
Over 1 year	270,091,041.53	31.93	157,588,004.20	18.82
Total	845,784,135.09	100.00	837,455,288.25	100.00

32. Contract liabilities

Item	June 30 th , 2021	January 1 st , 2021
Contract advances	1,088,131,481.53	1,219,820,827.59
Total	1,088,131,481.53	1,219,820,827.59

33. Employee benefits payable

(1) Classification of employee benefits payable

ltem	January 1st, 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Short-term remuneration	297,574,059.31	790,162,284.82	753,494,936.01	334,241,408.12
Post-employment benefits - defined contribution plans	20,445,686.63	66,243,491.53	65,359,369.96	21,329,808.20
Termination benefits		725,092.28	725,092.28	
Other benefits due within one year				
Others	15,191.74	71,400.00	71,400.00	15,191.74
Total	318,034,937.68	857,202,268.63	819,650,798.25	355,586,408.06

(2) Short-term remuneration

Item	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Salaries, bonuses, allowances and subsidies	258,150,451.55	656,379,001.93	627,937,240.01	286,592,213.47
Employee benefit	4,149,078.16	21,888,435.73	20,259,417.98	5,778,095.91
Social insurance contributions	3,063,216.54	39,912,123.94	39,163,136.33	3,812,204.15
Including: Medical insurance premiums	3,031,189.20	35,878,304.00	35,241,454.23	3,668,038.97
Work injury insurance	26,658.30	2,897,262.21	2,876,664.42	47,256.09
Maternity insurance premium	15,628.96	876,651.69	854,665.08	37,615.57
Others	-10,259.92	259,906.04	190,352.60	59,293.52
Housing Provident Fund	2,169,974.62	51,016,947.94	47,015,815.54	6,171,107.02
Funds for trade unions and staff education	29,922,816.44	15,662,490.89	13,777,915.86	31,807,391.47

Item	January 1st, 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Short-term paid absences		0		
Short-term profit-sharing plan		0		
Other short-term remuneration	118,522.00	5,303,284.39	5,341,410.29	80,396.10
Total	297,574,059.31	790,162,284.82	753,494,936.01	334,241,408.12

(3) Defined contribution plans

Item	January 1st, 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Basic pension insurance	990,755.27	61,992,560.91	61,146,882.78	1,836,433.40
Unemployment insurance premiums	32,746.81	2,491,695.39	2,453,251.95	71,190.25
Enterprise annuity contributions	19,422,184.55	1,759,235.23	1,759,235.23	19,422,184.55
Total	20,445,686.63	66,243,491.53	65,359,369.96	21,329,808.20

34. Taxes payable

Item	June 30 th , 2021	Januarγ 1 st , 2021
Value-added tax (VAT)	129,404,328.14	181,028,250.75
Consumption tax	813.40	813.40
Corporate income tax	414,898,917.59	745,910,048.24
City maintenance and construction tax	12,523,037.13	17,911,252.51
Property tax	7,418,696.77	9,847,238.57
Land-use tax	7,263,773.58	5,013,858.93
Individual income tax	8,405,319.39	24,487,083.13
Educational surcharges (including local educational surcharges)	8,791,881.11	12,064,937.94
Other taxes	610,594,682.63	716,280,283.28
Total	1,199,301,449.74	1,712,543,766.75

35. Other payables

ltem	June 30 th , 2021	January 1 st , 2021
Interest payable	397,048,844.61	609,013,805.71
Dividend payable	177,075,191.25	194,545,570.04
Other payables	7,206,229,947.62	7,767,840,220.88
Total	7,780,353,983.48	8,571,399,596.63

(1) Status of interest payable

Item	June 30th, 2021	January 1 st , 2021

item	June 30 th , 2021	January 1 st , 2021
Interest on long-term loans due for repayment by instalments	213,802,465.94	160,725,934.18
Interest on corporate bonds	14,175,833.39	34,015,000.03
Interest payable on short-term loans	7,139,183.74	25,735,182.81
Other interest	161,931,361.54	388,537,688.69
Total	397,048,844.61	609,013,805.71

Note: Other interest consists primarily of interest payable on LIBOR and interest payable on interbank loans.

(2) Dividend payable

Item	June 30 th , 2021	January 1 st , 2021
Common share dividend	177,075,191.25	194,545,570.04
Total	177,075,191.25	194,545,570.04

(3) Other payables

(1) Other payables classified by nature of payment

Nature of payment	June 30 th , 2021	January 1 st , 2021
Related party current accounts	1,155,658,529.25	1,326,310,923.17
Personal current account	6,463,048.94	3,811,782.17
Transactions with outside units	4,986,337,052.36	5,269,199,335.14
Rents and property fees		1,284,660.00
Pledge, security deposit, call money, deposit, security deposit	309,208,317.14	307,964,366.22
Collection agency	140,257,218.68	217,462,831.26
Costs to be paid	54,839,472.75	42,593,538.62
Provisional receipts	210,741,264.95	313,780,439.03
Special funds	7,821,819.85	2,118,083.80
Party building funds	3,839,050.11	3,719,661.76
Demolition payment	56,210,865.45	56,210,865.06
Operating funds	218,945,014.04	181,857,720.07
Engineering funds	7,615,324.70	7,615,156.20
Various subsidies related to grain reserves	20,345,146.72	17,158,146.55
Others	27,947,822.68	16,752,711.83
Total	7,206,229,947.62	7,767,840,220.88

36. Non-current liabilities due within 1 year

(1) Status of non-current liabilities due within 1 year

Item	June 30 th , 2021	January 1 st , 2021

ltem	June 30 th , 2021	January 1st, 2021
Long-term borrowings due within 1 year	6,197,390,000.00	11,836,640,000.00
Bonds payable due within 1 year		
Long-term payables due within 1 year	884,731,247.68	1,341,931,848.24
Other long-term liabilities due within 1 year	11,380,074.38	
Total	7,093,501,322.06	13,178,571,848.24

37. Other current liabilities

(1) Classification of other current liabilities

Item	June 30 th , 2021	January 1 st , 2021	
Short-term bonds payable			
Unexpired liability reserve	101,485,166.72	73,976,641.45	
Provision for warranty claims	171,861,054.99	169,348,349.66	
Borrowing funds	34,407,561,111.13	28,387,730,000.00	
Financial assets sold for repurchase	1,663,952,370.36		
Others	1,629,353,509.73	2,098,820,617.48	
Total	37,974,213,212.93	30,729,875,608.59	

38. Long-term borrowings

(1) Classification of long-term borrowings

Item	June 30 th , 2021	January 1 st , 2021	
Pledge loans	1,693,504,907.87	1,443,600,000.00	
Mortgage loans	1,893,293,724.59	1,905,576,977.06	
Guaranteed loans	12,241,218,280.34	8,815,458,280.34	
Credit loans	7,069,991,823.26	8,128,591,823.26	
Total	22,898,008,736.06	20,293,227,080.66	

39. Bonds payable

(1) Status of Bonds payable

Item	June 30 th , 2021	January 1 st , 2021
Bonds payable	25,245,130,292.46	20,818,719,860.96
Total	25,245,130,292.46	20,818,719,860.96

40. Lease liabilities

Item	June 30 th , 2021	January 1 st , 2021
Lease payments	153,173,161.59	149,978,669.28
Unrecognized financing expenses	-26,392,436.26	-28,725,563.45
Reclassification to non-current liabilities due within 1 year	-11,380,074.38	
Net lease liabilities	115,400,650.95	121,253,105.83

41. Long-term payables

Item	June 30 th , 2021	January 1 st , 2021
Long-term payables	4,329,923,720.79	3,508,049,273.05
Special payables	34,005,907.89	60,255,907.89
Total	4,363,929,628.68	3,568,305,180.94

42. Long-term employee benefits payable

Item	June 30 th , 2021	January 1 st , 2021	
I. Post-employment benefits - net liabilities of defined benefit plans			
II. Termination benefits			
III. Other long-term benefits	42,810,991.63	42,810,991.63	
Total	42,810,991.63	42,810,991.63	

43. Estimated liabilities

Item	June 30 th , 2021	January 1 st , 2021
External guarantees	30,105,072.29	30,105,072.29
Pending litigation		2,422,715.84
Others	180,000.00	
Total	30,285,072.29	32,527,788.13

44. Deferred income

ltem	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Deferred income	269,232,673.69	47,020,935.27	31,720,298.40	284,533,310.56
Total	269,232,673.69	47,020,935.27	31,720,298.40	284,533,310.56

Details of deferred income are as follows:

Item	Balance as at January 1 st , 2021	Increase in current period	Decrease in current period	Balance as at June 30th, 2021
Government subsidies for new energy vehicles	160,418,124.72		20,551,250.04	139,866,874.68
Reclassification of trust remuneration received in advance	36,293,068.80		3,266,379.91	33,026,688.89

ltem	Balance as at January 1 st , 2021	Increase in current period	Decrease in current period	Balance as at June 30 th , 2021
Government grants		20,069,845.27	322,188.26	19,747,657.01
Double-hundred Market Project	1,445,714.31			1,445,714.31
Reconstruction of refrigeration warehouse No. 1	2,532,142.83			2,532,142.83
Reconstruction of refrigeration warehouse No. 6	2,264,285.71			2,264,285.72
Financial appropriation for informatization project (phase I)	5,306,680.00			5,306,680.0
Financial appropriation for informatization project (phase II)	13,968,320.00			13,968,320.0
10,000 - ton cold storage project	2,000,000.00			2,000,000.00
Enterprise development support fund		13,701,090.00		13,701,090.00
Longlian -unrealized gain or loss on sale leaseback	189,081.19		189,081.19	0.00
Grants for management system construction projects	220,000.00		21,960.00	198,040.00
Government subsidies for infrastructure projects	22,405,830.00	7,000,000.00	192,385.00	29,213,445.0
2020 Provincial allocation of funds for industrial development projects for the renovation of 7 quasi-low temperature silos	560,000.00			560,000.00
Other government grants related to assets	242,266.67		9,900.00	232,366.6
Reform of property right system	11,455.00			11,455.00
Maintenance and renovation funds for provincial grain storage facilities	340,000.00		1,680.00	338,320.00
2017 Municipal Financial Supplementary Fund	1,000,000.00		4,800.00	995,200.00
Grain cooling fan	190,800.00		12,720.00	178,080.00
Drying workshop equipment	1,900,000.00		75,000.00	1,825,000.00
Simple construction cost	83,411.00		414.00	82,997.00
Drying workshop plant	1,782,900.00		9,480.00	1,773,420.0
Special funds for grain storage construction	15,923,570.79	6,250,000.00	7,049,470.00	15,124,100.79
Non-reimbursable allocation of long-term non-monetary assets	155,022.67		13,590.00	141,432.6
Total	269,232,673.69	47,020,935.27	31,720,298.40	284,533,310.50

45. Other non-current liabilities

Item	June 30 th , 2021	January 1 st , 2021
Government subsidies	17,119,732.00	17,119,732.00
Long-term current borrowings	100,000.00	
Total	17,219,732.00	17,119,732.00

46. Paid-in capital

	January	1 st , 2021	Increase in	Decrease in	June 30 th	, 2021
Investor	Investment amount	Proportion (%)	current period	period	Investment amount	Proportion (%)

	January 1 st , 2021		Increase in	Decrease in	June 30 th , 2021	
Investor	Investment amount	Proportion (%)	current period	current period	Investment amount	Proportion (%)
State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government	4,310,963,0 80.16	100.00	3,249,036,919.84		7,560,000,000.0 0	100.00
Total	4,310,963,0 80.16	100.00	3,249,036,919.84		7,560,000,000.0 0	100.00

Note: Increase in current period was caused by the Company's undistributed profit of the period converted into capital of RMB 3,249,036,919.84.

47. Other equity instruments

Name of bonds	January 1 st , 2021	Increase In current period	Decrease In current perlod	June 30 th , 2021
2017 Wujinkong TN002 with the term of 5+N years	1,000,000,000.00			1,000,000,000.00
2018 Wujinkong TN002 with the term of 3+N years	1,000,000,000.00			1,000,000,000.00
2019 Wujinkong MTN001 with the term of 3+N years	2,100,000,000.00			2,100,000,000.00
2020 Vukin Y1 Renewable Corporate Bond	500,000,000.00			500,000,000.00
Total	4,600,000,000.00			4,600,000,000.00

48. Capital reserve

Item	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
I. Capital (or equity) premium				
II. Other capital reserve	6,641,513,878.05		8,306,717.26	6,633,207,160.79
Total	6,641,513,878.05		8,306,717.26	6,633,207,160.79
Including: State-owned exclusive capital reserve	= ,			

49. Special reserve

Item	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Safety production cost	3,117,081.50	1,936,051.70	1,889,616.53	3,163,516.67
Total	3,117,081.50	1,936,051.70	1,889,616.53	3,163,516.67

50. Surplus reserve

Item	January 1st, 2021	Increase in current period	Decrease in current period	June 30 th , 2021

Item	January 1 st , 2021	Increase In current period	Decrease in current period	June 30 th , 2021
Statutory surplus reserve	22,372,098.54	360,010,825.23		382,382,923.77
Arbitrary surplus reserve				
Total	22,372,098.54	360,010,825.23		382,382,923.77

51. General risk reserve

Item	June 30 th , 2021	January 1 st , 2021
General risk reserve	650,056,004.16	650,056,004.16
Total	650,056,004.16	650,056,004.16

52. Retained earnings

Item	Janurary - June 2021	2020
January 1st, 2021	3,133,403,445.84	3,372,184,488.48
Increase in current period	990,655,397.83	211,610,933.05
Including: Transfer of net profit for ther period	990,655,397.83	1,328,986,176.97
Other adjustment factors		-1,117,375,243.92
Decrease in current period	3,825,000,045.07	450,391,975.69
Including: Appropriation of surplus reserve in current period	360,010,825.23	
Appropriation of general risk reserve in current period		206,061,975.69
Cash dividends distributed in current period	70,022,300.00	
Capital reserve converted to share capital	3,249,036,919.84	
Other decrease	145,930,000.00	244,330,000.00
June 30 th , 2021	299,058,798.60	3,133,403,445.84

Note: Other decrease of RMB 145,930,000.00 was the interest paid on renewable bonds.

53. Operating income and operating costs

(1) Operating income and costs

	Incurred in Janurary - June 2021		
Item	Income	Cost	
Financial services segment	3,133,212,179.15	898,124,768.20	
Industrial sector	20,113,862,766.80	18,893,770,235.69	
Total	23,247,074,945.95	19,791,895,003.89	

(Continued)

Marin Control	Incurred in Janurary - June 2020		
Item	Income	Cost	
Financial services segment	3,158,844,877.18	666,003,438.79	
Industrial sector	9,098,752,533.14	8,599,371,517.44	
Total	12,257,597,410.32	9,265,374,956.23	

54. Investment income

Source of investment income	Janurary - June 2021	Janurary - June 2020
Income arising from long-term equity investments under the equity method	190,972,365.98	246,936,561.71
Investment income arising from disposal of long-term equity investments	7,431,356.07	
Investment income over the period of holding trading financial assets	24,620,325.12	
Investment income arising from disposal of holding trading financial assets	9,621,931.79	
Investment income over the period of holding financial assets measured at fair value through profit or loss		107,372.56
Investment income arising from disposal of financial assets measured at fair value through profit or loss		283,617.54
Investment income over the period of holding held-to-maturity investments		= 817,265.43
Investment income arising from disposal of held-to-maturity investments		
Investment income over the period of holding available-for-sale financial assets		93,836,798.79
Investment income arising from disposal of available-for-sale financial assets		3,441,832.03
Interest income over the period of holding bond investments	373,659.66	
Investment income over the period of holding other non-current financial assets	776,975.22	
Investment income arising from disposal of other non-current financial assets	-4,407,804.28	
Others	647,189,453.64	694,746,535.07
Total	876,578,263.20	1,040,169,983.13

55. Income from change in fair value

Source of income from change in fair value	Janurary - June 2021	Janurary - June 2020
Trading financial assets	-4,998,031.95	
Financial assets at fair value through profit or loss		176,265.72
Other non-current financial assets	65,724,625.34	

Source of income from change in fair value	Janurary - June 2021	Janurary - June 2020
Total	60,726,593.39	176,265.72

56. Credit impairment loss

Item	Janurary - June 2021	Janurary - June 2020	
Bad debt loss	59,180,378.56		
Impairment loss on bond investment	3,579,989.42		
Total	62,760,367.98		

57. Asset impairment loss

Item	Janurary - June 2021	Janurary - June 2020
Bad debt loss		-64,048,252.79
Loss on decline in value of inventories	-1,390,852.51	
Impairment loss on goodwill		-155,939,741.72
Total	-1,390,852.51	-219,987,994.51

58. Non-operating income

ltem	Janurary - June 2021	Janurary - June 2020	Amount included in current non-recurring profit or loss
Gains from the destruction and scrapping of non-current assets	511,783.64	7,415.00	511,783.64
Gain on debt restructuring	431,634.48		431,634.48
Government grants not related to the day-to-day activities of the enterprise	38,176,081.70	46,794.00	38,176,081.70
Fines	90,355.40	1,025,536.00	90,355.40
Accept donations	152,700.00	65,428.50	152,700.00
Housing income	976,676.01		976,676.01
Others	2,183,794.94	2,784,081.39	2,183,794.94
Total	42,523,026.17	3,929,254.89	42,523,026.17

59. Non-operating expenses

ltem	Janurary - June 2021	Janurary - June 2020	Amount included In current non-recurring profit or loss
Losses on the damage and retirement of non-current assets	452,172.22	108,273.78	452,172.22
Debt restructuring losses	72,059,411.71		72,059,411.71
Loss on external donations	68,275.00	31,215,014.08	68,275.00
Fine expenses, late payment fees	4,591,144.59	800,303.22	4,591,144.59
Damages, liquidated damages	5,513,272.92	48,268.00	5,513,272.92

ltem	Janurary - June 2021	Janurary - June 2020	Amount included in current non-recurring profit or loss	
Other expenses	1,485,953.02	2,490,850.62	1,485,953.02	
Total	84,170,229.46	34,662,709.70	84,170,229.46	

60. Assets subject to ownership restrictions

Item Book value as at June 30 th , 2021		Reasons for restrictions	
Monetary fund	606,475,886.81	Security deposit, etc.	

IX. Contingencies

1. The Group's guarantees for the other unit as of June 30th, 2021

Guarantee unit	Guaranteed units	Nature of guaranteed units	Total amount guaranteed (RMB 10,000)	Overdue amount	Status of guaranteed units
1. Intra-group guarantees			4,643,565.81		
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Development Investment Co., Ltd.	Wholly state-owned company	2,476,621.67		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Yangtze River Economy United Development Co., Ltd.	Wholly state-owned company	5,204.72		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Wholly state-owned company	52,942.46		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	Wholly state-owned company	186,458.94		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Jinkong New Energy Vehicle Rental Co., Ltd.	Limited Company	121,989.14		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Credit Risk Management Financing Guarantee Co., Ltd.	Limited Company	280,348.88		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Hubei Financial Leasing Co., Ltd.	Limited Company	280,000.00		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Guotong Trust Co., Ltd.	Limited Company	180,000.00		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Hubei Integrated Circuit Industry Investment Fund Co., Ltd.	Limited Company	520,000.00		Normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Financial Holdings (Group) Co., Ltd.	Wholly state-owned company	110,000.00		Normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	Wholly state-owned company	45,000.00		Normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Credit Risk Management Financing Guarantee Co., Ltd.	Limited Company	260,000.00		Normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Financial Leasing Co., Ltd.	Limited Company	25,000.00		Normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Credit Development Investment Management Co., Ltd.	Limited Company	100,000.00		Normal operation

Guarantee unit	Guaranteed units	Nature of guaranteed units	Total amount guaranteed (RMB 10,000)	Overdue amount	Status of guaranteed units
2. Guarantees outside the group			145,000.00		
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Airport Economic Development Zone Industrial Development Investment Group Limited	Wholly state-owned company	145,000.00		Normal operation

X. Events after the balance sheet date

None.

XI. Related party relationships and their transactions

- 1. Related party relationships
- (1) Controlling shareholders and ultimate controlling parties

The controlling shareholder and ultimate controlling party of the Company are State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government。

(2) Subsidiaries

Name of subsidiaries	Place of registrati Nature of business Registered capital on		Sharehol ding ratio (%)	Voting ratio (%)	
Wuhan Development Investment Co., Ltd.	Wuhan	Investment and development	3,000,000,000.00	100.00	100.00
Wuhan Traffic Construction Investment Co., Ltd.	Wuhan	Construction of transportation infrastructure projects, operation and management	353,000,000.00	100.00	100.00
Wuhan State-owned Industry Investment Co., Ltd.	Wuhan	Investment and development	379,198,107.00	100.00	100.00
Wuhan Construction Investment Co., Ltd.	Wuhan	Local construction investment and development	220,000,000.00	100.00	100.00
Wuhan Yangtze River Economy United Development Co., Ltd.	Wuhan	Investment, development	408,858,118.00	93.11	93.11
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Wuhan	Investment and development of the grain logistics industry	831,000,000.00	100.00	100.00
Wuhan Yangluo Development Co., Ltd.	Wuhan	Investment in development zone construction	465,000,000.00	100.00	100.00
Wuhan Financial Assets Exchange Co., Ltd.	Wuhan	Financial assets transaction and consultation	120,000,000.00	75.00	75.00
Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	Wuhan	Supply chain management	1,000,000,000.00	100.00	100.00
Wuhan Yangtze Financial Services Co., Ltd.	Wuhan	Financial information data processing services; financial	300,000,000.00	80.00	80.00

Name of subsidiaries	Place of registrati on	Nature of business	Registered capital	Sharehol ding ratio (%)	Voting ratio (%)
		software technology development, etc.			
Wuhan Rongwei Escort Security Service Co., Ltd.	Wuhan	Provide escorts and vault guarding services of cash, securities, gold, silver, jewelry and other valuables for financial institutions	100,000,000.00	100.00	100.00
Hubei Financial Leasing Co., Ltd.	Wuhan	Capital leasing business; transfer and assignment of financial leasing assets; interbank lending; borrowing from financial institutions; overseas borrowing; sale and disposal of leased property, etc.	3,000,000,000.00	49.00	49.00
Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	Wuhan	Wholesale and retail of petroleum products, technology development, technology transfer	50,000,000.00	33.00	100.00
Guotong Trust Co., Ltd.	Wuhan	Fund trust; movable property trust; real estate trust; securities trust; other property or property right trust	3,200,000,000.00	67.51	67.51
Wuhan International Exchange Service Center	Wuhan	Air passenger and freight sales agency business; education, culture and economic advisory services	6,000,000.00	100.00	100.00
Wuhan Yangluo Port Service Co., Ltd.	Wuhan	Cargo handling, loading and unloading services, cargo stowage information consulting services, warehousing services	70,000,000.00	60.00	60.00
Wuhan Yangtze Asset Management Co., Ltd.	Wuhan	Acquisition, management and disposal of assets	144,200,000.00	100.00	100.00
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan	Management and investment of state-owned assets	670,000,000.00	51.00	51.00

XII. Notes to key items of the financial statements of the parent company

1. Other receivables

Item	June 30 th , 2021	January 1 st , 2021
Interest receivable		
Dividends receivable		1,995,567,400.00
Other receivables	15,540,298,816.90	13,740,993,939.83
Total	15,540,298,816.90	15,736,561,339.83

(1) Dividends receivable

ltem	June 30 th , 2021	Januarγ 1 st , 2021	Reasons for non-reco very	Whether impairment has occurred and the basis for judgment
Dividends receivable aged over 1 year				
Including:				
Wuhan Jinkong Modern Supply Chain Management Co., Ltd.		5,105,400.00		
Wuhan Construction Investment Co., Ltd.		87,995,000.00		
3. Wuhan Yangluo Development Co., Ltd.		87,151,600.00		
4. Wuhan State-owned Industry Investment Co., Ltd.		137,295,700.00		
5. Wuhan Rongwei Escort Security Service Co., Ltd.		158,119,100.00		
6. Wuhan Development Investment Co., Ltd.		1,519,900,600.00		
Total		1,995,567,400.00		

(2) Other receivables

	June 30 th , 2021					
Туре	Book balance		Provision for bad de	bts		
	Amount	Proportion (%)	Amount	Proportion (%)		
Other receivables that are subjected to provision for bad debts on individual basis	21,185,670.61	0.14	8,263,437.46	39.00		
Other receivables with provision for bad debts based on a portfolio of credit risk characteristics	15,527,376,583.75	99.86				
Including: Portfolio 1 Aging portfolio						
Portfolio 2 General business fund portfolio						
Portfolio 3 Low risk portfolio	15,527,376,583.75	99.86				
Total	15,548,562,254.36		8,263,437.46	**		

(Continued)

	January 1st, 2021					
Туре	Book balance		Provision for bad de	bts		
	Amount	Proportion (%)	Amount	Proportion (%)		
Other receivables that are subjected to provision for bad debts on individual basis	21,185,670.61	0.15	8,263,437.46	39.00		
Other receivables with provision for bad debts based on a portfolio of credit risk characteristics	13,728,071,706.68	99.85				
Including: Portfolio 1 Aging portfolio						
Portfolio 2 General business fund portfolio						
Portfolio 3 Low risk portfolio	13,728,071,706.68	99.85				
Total	13,749,257,377.29		8,263,437.46			

(1) Other receivables disclosed by aging

Aging	June 30 th , 2021	January 1 st , 2021
Within 1 year (Including 1 year)	14,549,861,886.09	12,744,507,809.02
1—2 years	225,124,860.51	231,124,860.51
2—3 years	15,200,788.20	15,249,988.20
3—4 years	114,043,763.99	114,043,763.99
4—5 years	60,616,692.05	60,616,692.05
Over 5 years	583,714,263.52	583,714,263.52
Subtotal	15,548,562,254.36	13,749,257,377.29
Less: Provision for bad debts	8,263,437.46	8,263,437.46
Total	15,540,298,816.90	13,740,993,939.83

(2) Other receivables with provision for bad debts based on a portfolio of credit risk characteristics

1) Other receivables for which provision for bad debts is made using other methods

	June 30 th , 2021				
Portfolio name	Amount	Proportion (%)	Provision for bad debts		
Portfolio 3 Low risk portfolio	15,527,376,583.75				
Total	15,527,376,583.75				

(Continued)

	January 1st, 2021				
Portfolio name	Amount	Proportion (%)	Provision for bad debts		
Portfolio 3 Low risk portfolio	13,728,071,706.68				
Total	13,728,071,706.68				

(3) Other receivables that are subjected to provision for bad debts on individual basis

Name of debtor	Book balance	Bad debt amount	Aging	Proportion	Reason for provision
East Lake Industrial Investment Fund Management Co., Ltd	2,822,476.25		Over 5 years		No loss expected
Huangpi District People's Government	306,534.86	137,940.68	Over 5 years	45.00	Overdue for recovery
Guest house project	6,000,000.00	2,700,000.00	Over 5 years	45.00	Overdue for recovery
Wuhan Longxiao Culture Communication Co., Ltd.	8,360,000.00	3,762,000.00	Over 5 years	45.00	Overdue for recovery
Hubei Overseas Tourism (Group) Co., Ltd.	459,939.00	206,972.55	4-5 years	45.00	Overdue for recovery
Hubei Overseas Tourism (Group) Co., Ltd.	120,000.00	54,000.00	4-5 years	45.00	Overdue for recovery
Hubei Overseas Tourism (Group) Co., Ltd.	34,401.00	15,480.45	3-4 years	45.00	Overdue for recovery

Name of debtor	Book balance	Bad debt amount	Aging	Proportion	Reason for provision
Anhui Xianghetang Financial Services Co., Ltd.	3,082,319.50	1,387,043.78	Over 5 years	45.00	Overdue for recovery
Total	21,185,670.61	8,263,437.46		-	

2. Long-term equity investments

(1) Classification of long-term equity investments

ltem	January 1 st , 2021	Increase in current period	Decrease in current period	June 30 th , 2021
Investments in subsidiaries	16,466,927,331.37	2,670,000,000.00		19,136,927,331.37
Investments in joint ventures				
Investments in associates	4,626,617,510.30	72,148,171.04		4,698,765,681.34
Subtotal	21,093,544,841.67	2,742,148,171.04		23,835,693,012.71
Less: Provision for impairment of long-term equity investments				
Total	21,093,544,841.67	2,742,148,171.04		23,835,693,012.71

XIII. Approval of Financial Statements

The Group's financial statements for the six months ended June 30th, 2021 have been approved by the Company's Board of Directors.

Wuhan Financial Holdings (Group) Co., Ltd.
September 6th, 2021



营业热照

(国) 本) 统一社会信用代码 914201110744527472 SGSG

各 稼 信永中和会计师事务所(特殊普通合伙)武汉分所

类 普通合伙企业分支机构

营业场所 洪山区徐东大街137号能源大厦19楼

负 责 人 朱清

5656

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成立日期 2013年07月17日

营业期限 长期

经 营 苑 图 审查企业会计报表,出具审计报告;验证企业资本,出具验资报告;办理企业合并、分立、清算事宜中的审计业务,出具有关报告;基本建设年度财务决算审计;代理记账;会计咨询、税务咨询、管理咨询、会计培训;法律、法规规定的其他业务。(依法须经审批的项目,经相关部门审批后方可开

展经营活动)



登记机关

重要提示:企业应于每年1月1日—6月30日公示上一年的年度报告,公示途径:国家企业信用信息公示系统(湖北)



企业信用信息公示系统网址:

中华人民共和国国家工商行政管理总局监制



会计师事务所分所 执业证书

信水中和会计师事务所(特殊普通 合伙)武汉分所 孫:

大社 Ÿ #3 负

JC汉市新山区徐东大街 137 号能源 智场所。 2:

人理 19 楼

110101364201 分所执业证书编号: 鄂恩公发(2013)16号 批准执业文号:

批准集业月期。

温 说

- 《会计师事务所分所执业证书》是证明会计师事 务所经财政部门依法审批,准予持证分所执行业 务的凭证。
- 《会计师事务所分所执业证书》记载事项发生变 动的,应当向财政部门申请换发。 2
 - 《会计师事务所分所执业证书》不得伪造、涂改、 出租、出借、转让。 ຕ້
- 会计师事务所分所终止或执业许可注销的,应 当向财政部门交回《会计师事务所分所执业证



中华人民共和国财政部制

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年度检验登记 Annual Renewal Registration

本证书经检验合格、继续有效一年。 This certificate is valid for another year after this renewal.

证书畅号: No. of Centificane

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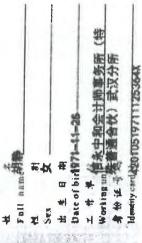
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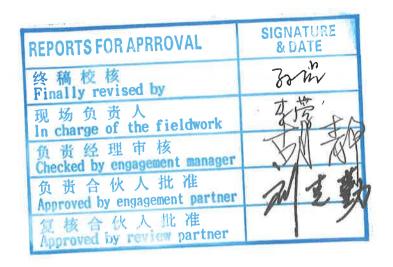
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Wuhan Financial Holdings (Group) Co., Ltd.

FY 2020

Independent Auditor's Report

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wuhan Branch

accountants

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Independent Auditors' Report

XYZH/2021WHAS10392

Wuhan Financial Holdings (Group) Co., Ltd.:

I. Audit opinion

We have audited the financial statements prepared by Wuhan Financial Holdings (Group) Co., Ltd. Board of directors (hereinafter referred to as "Wuhan Jinkong Group"), including the Consolidated and Parent Company's Balance Sheet as at December 31st, 2020, Consolidated and Parent Company's Income Statement, Consolidated and Parent Company's Cash Flow Statement, Consolidated and Parent Company's Statement of Change in Equity and Notes to the Financial Statements for 2020.

We believe that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all major aspects, and have fairly reflected the financial position of Wuhan Jinkong Group as at December 31st, 2020 and the operating results and cash flows of 2020.

II. Basis for the audit opinion

We have conducted our audits in accordance with the Chinese Standards on Auditing. The "Auditor's responsibility of the financial statements" section further clarifies our responsibilities under these guidelines. In accordance with the Code of Professional Ethics of Chinese Certified Public Accountants, we are independent of Wuhan Jinkong Group and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. The responsibility of the Management and those charged with governance of the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Business Enterprise to achieve a fair reflection, and designing, implementing and maintaining necessary internal controls, so that the financial statements are free from material misstatements whether due to fraud or error.

In the preparation of the financial statements, the Management is responsible for assessing the going concern capability of Wuhan Jinkong Group, disclosing matters related to

going concern, and applying the going concern assumption, unless the Management plans to liquidate the Group, terminate operations, or there are no other viable options.

Those charged with governance is responsible for supervising the process of financial statements.

IV. Auditor's Responsibility of the financial statements

Our objective is to achieve reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or error, and express an opinion on these financial statements based on our audit. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with the auditing standards can detect all existing material misstatements. Misstatements can be caused by fraud or error. Misstatements are generally considered to be material if the reasonable expected misstatements, individually or collectively, may affect the economic decisions made by stakeholders based on the financial statements.

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

- (1) Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence as a basis for our audit opinion. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls, the risk of failure to detect material misstatements due to fraud is higher than that due to error.
- (2) Obtain an understanding of internal control relevant to the entity's audit in order to design audit procedures that are appropriate in circumstances. However, the purpose is not to express an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by the Management.
- (4) Draw a conclusion on the appropriateness of the Management's use of the going concern assumption, and, based on the audit evidence obtained, draw a conclusion on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Wuhan Jinkong Group's ability to continue as a going concern. If we conclude that material uncertainties exist, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may cause Wuhan Jinkong Group to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content (including disclosure) of the financial statements, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
- (6) Based on the financial information about an entity or an operation of Wuhan Jinkong Group, we obtained sufficient and appropriate audit evidence to express an audit opinion on financial statements. We are responsible for guiding, supervising and implementing group audit, and fully responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the audit scope, timing, and significant audit findings, including any significant deficiencies in internal control that we have identified during the audit.



Chinese Certified Public Accountants:

Chinese Certified Public Accountants:



Wuhan, China

April 25th,2021

Consolidated Statement of Financial Position

Item A	Note	Closing balance	Opening balance
urrent assets:			
Cash and cash equivalents	VIII.1.	10,640,256,767.14	11,760,970,087.5
△Provision of settlement funds			
△Loans to banks and other financial institutions			
☆Held-for-trading financial assets			
Financial assets at fair value through profit or loss FVTPL	VIII.2.	1,074,683,302.32	796,083,617.5
Derivative financial assets			
Notes receivable	VIII.3.	125,602,786.76	404,642,433.0
Accounts receivable	VIII.4.	1,355,628,734.79	975,814,800.7
☆ Receivables financing			
Prepayments	VIII.5.	3,559,065,881.17	1,415,241,979.1
△Receivable premium			
△Cession premium receivable			
△Provision of cession receivable	100.6	42 240 200 020 67	40 474 405 045 0
Other receivables	VIII.6.	12,210,308,038.67	13,171,125,045.2
△Buy-back financial assets	VIII 7	0.044.503.610.04	F F00 001 063 3
Inventories	VIII.7.	9,044,592,618.94	5,508,901,863.3
Including: Raw materials		2,753,397.78	1,728,667.1
Stock goods Finished goods		3,802,327,117.52	1,426,207,343.8
☆Contract assets Held-for-sale assets	VIII.8.	9 964 560 00	0 015 700 0
Non-current assets due within one year	VIII.9.	8,864,560.00 767,685,487.52	8,815,708.0
Other current assets	VIII.10.	34,447,966,657.92	33,671,618,999.9
Total current assets	VIII.10.	73,234,654,835.23	67,713,214,534.6
on-current assets:		73,234,034,633.23	07,713,214,334.0
△Loans and advances			
☆ Debt investments			
Available-for-sale financial assets	VIII.11.	15,509,486,662.03	16,203,233,053.6
☆Other debt investments			,,,
Held-to-maturity investments			
Long-term receivables	VIII.12.	30,950,007,905.07	25,480,448,774.5
Long-term equity investments	VIII.13.	9,619,177,115.74	7,570,652,908.2
☆Investment in other equity instruments			
☆Other non-current financial assets			
Investment properties	VIII.14.	1,475,304,977.49	1,509,427,510.7
Fixed assets	VIII.15.	2,823,953,044.51	2,990,202,996.4
Construction in progress	VIII.16.	3,148,380,488.06	2,676,326,309.5
Productive biological assets	VIII.17.	1,198,191.22	1,441,998.4
Oil and gas assets			
☆ Right-of-use assets			
Intangible assets	VIII.18.	1,218,837,859.71	1,231,316,292.9
Development expenditure	VIII.19.	338,431.95	338,431.9
Goodwill	VIII.20.	3,018,450,868.63	3,018,735,014.0
Long-term deferred expenses	VIII.21.	62,639,551.57	47,711,499.4
Deferred tax assets	VIII.22.	647,171,498.23	568,751,531.4
Other non-current assets	VIII.23.	4,078,308,642.20	2,151,494,591.6
Including: Special material reserve			
Total non-current assets		72,553,255,236.41	63,450,080,913.1

representative: A Principal in charge of accounting:

145,787,910,071.64 131,163,295,447.79 Head of accounting department:



Consolidated Statement of Financial Position (Continued)

December 31st, 2020

ltero	Note	Closing balance	Opening balance
Short-term loans	VIII.24.	4,655,003,616.36	3,163,359,530.9
△Borrowings from Central Bank		,,,,,,,	
△Borrowings from banks and other financial institutions			
☆ Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss FVTPL			
Derivative financial liabilities			
Notes payable	VIII.25.	398,559,721.44	151,904,849.
Accounts payable	VIII.26.	546,434,234.38	490,404,766.
Advance from customers	VIII.27.	2,057,276,115.84	1,318,548,821.
☆Contract liabilities			
△Sold and repurchase financial asset			
△Deposits from customers and interbank			
△ Funds received as agent of stock exchange			
△ Funds received as agent of stock underwrite	1,000	240 024 027 50	205 604 062
Employee benefits payable	VIII.28.	318,034,937.68	365,691,962.
Including: salary payable		258,150,451.55	313,252,545.
Welfare expenses payable		4,149,078.16	3,982,264.
#Including: bonus and welfare funds Taxes and fees payable	VIII.29.	1,712,928,766.75	1 222 252 210
Including: Taxes payable	VIII.29.	1,700,863,828.81	1,332,353,219. 1,322,179,810.
Other payables	VIII.30.	8,571,399,596.63	5,969,376,599.
△Handling charges and commissions payable	¥111.30.	5,51 1,555,550.05	3,303,370,333.
△Reinsurance accounts payable			
Held-for-trading liabilities			
Non-current liabilities due within one year	VIII.31.	13,178,571,848.24	13,547,338,612.
Other current liabilities	VIII.32.	30,729,875,608.59	28,788,376,699.
Total current liabilities		62,168,084,445.91	55,127,355,060.
Ion-current liabilities:			
△Provision for insurance contracts			
Long-term loans	VIII.33.	20,293,227,080.66	20,408,699,114.
Bonds payable	VIII.34.	20,818,719,860.96	12,470,255,551.
Including: Preference share			
Perpetual bond			
☆Lease liability			
Long-term payables	VIII.35.	3,568,305,180.94	3,413,572,349.
Long-term employee benefits payable	VIII.36.	42,810,991.63	
Provisions	VIII.37.	28,338,818.93	25,916,103.
Deferred income	VIII.38.	269,232,673.69	351,348,149.
Deferred tax liabilities	VIII.22.	12,599,087.55	473,150,344
Other non-current liabilities	VIII.39.	17,119,732.00	17,119,732.
Including: authorized reserve fund			
Total non-current liabilities		45,050,353,426.36	37,160,061,345.
Total liabilities		107,218,437,872.27	92,287,416,406.
hareholders' equity	1/III 40	4 240 052 000 45	4 030 000 000
Paid-in capital	VIII.40.	4,310,963,080.16	4,030,000,000.
National capital		4 210 062 090 16	4 030 000 000
State-owned legal representative capital Collective capital		4,310,963,080.16	4,030,000,000.
Private capital			
Foreign capital			
#Less: Investment returned			
Net paid-in capital		4,310,963,080.16	4,030,000,000.
Other equity instruments	VIII.41.	4,600,000,000.00	4,100,000,000.
Including: Preference share		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,
Perpetual bond		4,600,000,000.00	4,100,000,000.
Capital reserve	VIII.42.	6,641,513,878.05	6,937,578,020.
Less: Treasury share			
Other comprehensive income	VIII.57.	-31,517,815.05	1,194,452,488.
Including: Foreign currency translation differences		-26,803,432.83	-20,764,331.
Special reserve	VIII.43.	3,117,081.50	3,117,081.
Surplus reserve	VIII.44.	22,372,098.54	22,372,098.
Including:Statutory surplus reserve		22,372,098.54	22,372,098.
Discretionary surplus reserve			
# Reserve funds			
# Enterprise expansion funds			
# Profit distribution to investor			
△General risk reserve	VIII.45.	650,056,004.16	443,994,028.
Retained earnings	VIII.46.	4,328,098,603.86	3,390,490,736.
Total equity attributable to the parent company	0	20,524,602,931.22	20,122,004,453.
*Non-controlling interests	4.4	18,044,869,268.15	18,753,874,587.
ot lequity	114	38,569,472,199.37	38,875,879,041.0
Total liabilities and equity		145,787,910,071.64	131,163,295,447.

Parent Company's Statement of Financial Position December 31st, 2020

December 31st, 2020

4		V	V/	
Prepared by	Wuhan f	inancial Holdi	ngs (Groun	Co., Ltd.

Unit: RMB

Prepared by: Wohan Financial Holdings (Group) Co., Ltd.	Note	Closing balance	Unit: RM Opening balance
Current assets:			
Cash and cash equivalents		2,699,519,184.19	2,870,747,888.5
△Provision of settlement funds			
△Loans to banks and other financial institutions			
☆ Held-for-trading financial assets			
Financial assets at fair value through profit or loss FVTPL)		191,350.00	215,860.0
Derivative financial assets			
Notes receivable			
Accounts receivable	XII.1.	30,754.00	30,754.0
☆ Receivables financing			
Prepayments		577,149.35	682,608.3
△Receivable premium			
△Cession premium receivable			
△ Provision of cession receivable			0.004.500.005.5
Other receivables	XII.2.	13,749,257,377.29	8,834,532,885.5
△Buy-back financial assets		200 540 00	200 540 0
Inventories		309,518.00	309,518.0
Including: Raw materials			
Stock goods Finished goods			
☆Contract assets			
Held-for-sale assets	-		
Non-current assets due within one year Other current assets			2,590,144.2
Total current assets		16 440 995 222 92	11,709,109,658.6
Non-current assets:		16,449,885,332.83	11,703,103,038.0
△ Loans and advances			
☆ Debt investments Available-for-sale financial assets		6 5/1 615 500 12	6,563,128,919.8
		6,541,615,588.13	0,303,120,919.0
☆Other debt investments Held-to-maturity investments			
Long-term receivables Long-term equity investments	XII.3.	19,743,344,841.67	20,022,267,858.1
☆Investment in other equity instruments	All.5.	19,743,344,041.07	20,022,207,636.1
☆Other non-current financial assets			
Investment properties	7		
Fixed assets		103,640,737.54	108,183,982.2
Construction in progress		103,040,737.54	100,103,302.2
Productive biological assets			
Oil and gas assets			
☆ Right-of-use assets			
Intangible assets			
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		64,177.50	64,177.5
Other non-current assets			
Including: Special material reserve			
Total non-current assets		26,388,665,344.84	26,693,644,937.7
	5		
Total accets		42 020 550 677 67	38,402,754,596.4
Total assets	of accounting:	42,838,550,677.67 Head of accoun	

Legal representative:

Principal in charge of accounting:

Head of accounting department:



Parent Company's Statement of Financial Position (Continued)

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.	Note	Closing balance	Opening balance
Current liabilities:	11010	Closing science	- Political Particular
Short-term Joans		1,600,000,000.00	1,000,000,000.0
△Borrowings from Central Bank			
△Borrowings from banks and other financial institutions			
☆Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss FVTPL			
Derivative financial liabilities			
Notes payable			
Accounts payable		159,579.24	252,492.4
Advance from customers		1,292,278.73	1,209,597.6
☆Contract liabilities			
△Sold and repurchase financial asset			
△Deposits from customers and interbank			
△ Funds received as agent of stock exchange			
△ Funds received as agent of stock underwrite			
Employee benefits payable		9,917,963.61	7,055,325.
Including: salary payable			
Welfare expenses payable			
#Including: bonus and welfare funds			
Taxes and surcharges payable		5,914,011.96	3,311,402.5
Including: Taxes payable		5,826,477.21	3,311,402.5
Other payables		1,904,043,172.88	1,648,564,658.9
△Handling charges and commissions payable			
△Reinsurance accounts payable			
Held-for-trading liabilities	V 1		
Non-current liabilities due within one year		3,012,594,932.32	2,225,500,000.0
Other current liabilities			
Total current liabilities		6,533,921,938.74	4,885,893,476.8
Non-current liabilities:			
△Provision for insurance contracts			
Long-term loans		7,406,000,000.00	6,563,200,000.0
Bonds payable		15,030,851,211.27	12,470,242,903.9
Including: Preference share	V		
Perpetual bond			
☆Lease liability			
Long-term payables		177,382,097.56	933,360,248.
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities	1		
Other non-current liabilities			
Including: authorized reserve fund		- Alakas asal	
Total non-current liabilities		22,614,233,308.83	19,966,803,152.5
Total liabilities		29,148,155,247.57	24,852,696,629.3
hareholders' equity			_
Paid-in capital		4,310,963,080.16	4,030,000,000.0
National capital			
State-owned legal representative capital		4,310,963,080.16	4,030,000,000.0
Collective capital			
Private capital			
Foreign capital			
#Less: Investment returned			
Net paid-in capital		4,310,963,080.16	4,030,000,000.0
Other equity instruments		4,600,000,000.00	4,100,000,000.0
Including: Preference share			
Perpetual bond		4,600,000,000.00	4,100,000,000.0

5,889,141,634.54 6,169,971,209.90 Capital reserve Less: Treasury share -29,884,198.70 6,020,834.30 Other comprehensive income Including: Foreign currency translation differences Special reserve 22,372,098.54 22,372,098.54 Surplus reserve 22,372,098.54 Including:Statutory surplus reserve 22,372,098.54 Discretionary surplus reserve # Reserve funds # Enterprise expansion funds # Profit distribution to investor △General risk reserve Retained earnings -1,102,197,184.44 -778,306,175.67 Total labilities and equity 13,690,395,430.10 13,550,057,967.07 42,838,550,677.67 38,402,754,596.44 Principal in charge of accounting: Head of accounting department:

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Consolidated Income Statement

FY 2020

repared by: Wuhan Financial Holdings (Group) Co., Ltd.		2000	Unit: RI
Item	Note	2020	2019
Total operating revenue Including: Operating income	VIII.47.	38,982,892,825.26 38,982,892,825.26	48,128,601,415. 48,128,601,415.
△Interest income	VIII.47.	36,362,632,623.20	40,120,001,113.
△Premiums earned	-		
△Handling charges and commission income			
. Total operating cost		38,631,970,928.64	46,649,555,894
Including: Operating cost	VIII.47.	32,715,459,326.75	40,361,431,399
△Interest expenses			
△Handling charges and commission expenses			
△Surrender value			
△Net expenditure for compensation payments △Net amount of provision for insurance contract			
△Bond insurance expense			
△Reinsurance costs			
Tax and surcharges		143,339,221.26	1,148,428,882
Selling expenses	VIII.48.	332,376,077.21	406,686,613
General and administrative expenses	VIII.48.	1,371,933,688.41	1,406,272,948
Research and development expenses	VIII.48.	18,487,634.62	23,961,076
Finance expenses	VIII.48.	4,050,374,980.39	3,302,774,973
Including: Interest expenses		4,302,437,336.62	3,424,246,439
Interest income		319,616,834.36	204,535,767
Exchange net loss (Net income marked with "-")		-198,643,405.14	3,406,265
Other	VIII 40	447.047.454.03	04.073.000
Add: Other gains	VIII.49. VIII.50.	147,047,151.93 2,176,308,107.20	84,972,889 1,032,069,745
Gain from investment (Loss marked with "-") Including: Investment income from associates and joint ventures	VIII.3U.	61,723,557.70	524,117,629
△Exchange earnings (Loss marked with "-")		01,723,337.70	327,117,023
Income from change in fair value(Loss marked with "-")	VIII.51.	-8,617,906.94	10,162,480
Impairment losses on assets (Loss marked with "-")	VIII.52.	-792,815,072.39	-504,840,947
Gain on disposal of assets (Loss marked with "-")	VIII.53.	317,363,626.44	203,816,870
I. Operating profit (Loss marked with "-")		2,190,207,802.86	2,305,226,558
Add: Non-operating income	VIII.54.	101,098,833.94	66,148,548.
Including: Government grants		12,442,470.99	27,220,579
Less: Non-operating expenses	VIII.55.	36,571,466.14	6,260,184.
/. Total profits (Total loss marked with "-")		2,254,735,170.66	2,365,114,923.
Less: Income tax expenses	VIII.56.	711,525,724.95	625,780,046
. Net profits (Net loss marked with "-")		1,543,209,445.71	1,739,334,876.
(1) Classified by ownership		1,387,999,843.25	789,790,398
Net profit attributable to owners of parent company *Non-controlling interests		155,209,602.46	949,544,478.
(2) Classified by business continuity		255,265,662.10	3 13/3 1 1/ 17 0
Net profits from continuing operations		1,543,209,445.71	1,739,334,876
Net profits of discontinuing operations			
I. Net after-tax amount of other comprehensive income		-1,429,762,366.44	78,039,941
The net after-tax value of other comprehensive income		-1,225,970,303.41	78,039,941
ttributable to the owner of parent company		-1,223,370,303.41	70,033,341
(1) Other comprehensive income that cannot be reclassified into			
rofit or loss			
1.Remeasurement of changes in defined benefit plans			
2.Other comprehensive income not converted into profit or loss			
nder equity method			
3.Other		-1,225,970,303.41	78,039,941
(2) Other comprehensive income reclassified into profit and loss 1.Other comprehensive income converted into profit or loss		-1,225,970,303.41	78,033,341
nder the equity method		-26,193,478.11	2,573,708
2.Profit and loss from fair value changes of available-for-sale		15 Marie 200, Mileson	2's dimercial
nancial assets		-1,193,737,724.34	94,095,663.
3.Gains and losses for held-to-maturity investments that are			
eclassified into available-for-sale financial assets			
4.Cash flow hedge reserves (effective portion of cash flow hedge			
ains and losses)			
5.Translation difference of foreign currency statements		-6,039,100.96	-18,629,430
6.Other			
*Net other comprehensive income attributable to non-controlling		-203,792,063.03	
nterests after tax			
II. Total comprehensive income		113,447,079.27	1,817,374,818.
Total comprehensive income attributable to owners of the parent		162,029,539.84	867,830,339.
ompany Total comprehensive income attributable to non-controlling		36.000000000000000000000000000000000000	949,544,478.
Accessed		-48,582,460.57	343,544,478.
III. Earnings per share:			
(1) Basic earnings per share (2) Diluted earnings per share			
Legal reprosentive: Principal in charge	of accounting.	Head of accounting depar	tment:
7 TT 2 State of the chairman o	c. accounting:	Tread of accounting depart	**
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Parent Company's Income Statement

FY 2020

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394,872,718.32 623,582,853.73 3,725,874.97 91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	58,860,077.41 795,601,008.32 2,856,543.77 122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
3,725,874.97 91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	2,856,543.77 122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
3,725,874.97 91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	2,856,543.77 122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
3,725,874.97 91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	2,856,543.77 122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
3,725,874.97 91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	2,856,543.77 122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
3,725,874.97 91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	2,856,543.77 122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94 729,530,198.52
91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94 729,530,198.57
91,164,882.25 528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	122,387,071.60 670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
528,692,096.51 710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	670,357,392.95 634,811,384.52 20,673,849.73 3,724,187.94
710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	634,811,384.52 20,673,849.73 3,724,187.94 729,530,198.57
710,656,373.46 27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	634,811,384.52 20,673,849.73 3,724,187.94 729,530,198.57
27,098,443.70 -199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	20,673,849.73 3,724,187.9 ⁴ 729,530,198.57
-199,454,284.96 3,658,009.00 146,714,189.43 -5,937,298.33	3,724,187.9 ⁴ 729,530,198.57
3,658,009.00 146,714,189.43 -5,937,298.33	729,530,198.57
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-5,937,298.33	
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30,000,000.00	
	1,055,819.98
-48,362,446.98	-6,142,740.33
	925,902.90
31,198,561.79	1,761,091.31
-79,561,008.77	-6,977,928.74
-79,561,008.77	-6,977,928.74
-79,561,008.77	-6,977,928.74
-35,905,033.00	-12,287,048.58
-35,905,033.00	-12,287,048.58
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-14,391,701.31	2,669,884.83
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-21,513,331.69	-14,956,933.41
-115 466 041 77	-19,264,977.32
-113,400,041.77	-13,204,377.32
	-24,510.00 30,000,000.00 -48,362,446.98 31,198,561.79 -79,561,008.77 -79,561,008.77 -79,561,008.77 -35,905,033.00

regal representative:

Principal in charge of accounting:

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林宋印家



I. Cash flow arising from operating activities.	0101	5013	Item	2020	2019
			Cash received from the return of investment	664,475,233.44	617,250,701.24
Cash received from sales of goods or rendering services	39,804,467,325.02	52,442,033,115.89	Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	251,192,777.95	57,394,431.17
\triangle Net increase in customer deposits and interbank deposits			Net cash received from dispose of subsidiaries and other business units	511,650,000.00	
△Net increase in borrowing from the central bank			Cash received related to other investing activities	600,571,944.88	488,286,854.07
△Net increase in borrowing from other financial institutions			Subtotal of cash inflow from investing activities	8,846,585,372.97	5,317,869,243.15
$\triangle Cash$ received for original insurance contract premiums			Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets	690,999,823.17	1,222,600,021.87
△Net cash received from reinsurance business			Cash paid for investment	9,667,798,384.47	7,137,948,231.17
△Net increase in funds and investments for policyholders			△Net increase in pledged loans		
\triangle Net increase in disposals of financial assets measured at fair value through profit or loss			Net cash paid by subsidiaries and other business units	1,864,258,270.66	-13,880,246.09
△Cash for interest, fees and commissions			Cash paid related to other investing activities	226,865,731.72	2,071,536,878.06
△Net increase in borrowing funds			Subtotal of cash outflows from investing activities	12,449,922,210.02	10,418,204,885.01
△Net increase in funds from repurchase business			Net cash flow from investing activities	-3,603,336,837.05	-5,100,335,641.86
△Net cash received from agency trading of securities			III. Cash flow from financing activities:		
Received tax refunds	27,134,426.98	4,986,482.37	Cash received from external investment	736,438,570.00	2,171,591,836.72
Cash received related to other operating activities	93,870,360,663.78	58,245,361,306.77	Including: the subsidiary received cash from non-controlling interests' investment	34,413,560.00	
Subtotal of cash inflow from operating activities	133,701,962,415.78	110,692,380,905.03	Cash received from loans granted	28,749,198,558.18	25,298,476,907.40
Cash paid for the purchase of goods and services	36,340,484,048.77	44,744,455,925.56	△ Cash received from bonds issued		
△Net increase in customer loans and advances			Cash received relating to other financing activities	10,288,217,184.00	9,962,577,461.70
△Net increase in central bank and interbank deposits			Subtotal cash inflow from financing activities	39,773,854,312.18	37,432,646,205.82
△Cash payment of original insurance contract benefits			Payment of debt in cash	27,987,663,207.62	25,670,156,736.13
△Net increase in funds disbursed			Cash used to pay dividends, profits, or interest payments	5,436,856,465.36	4,642,513,170.04
\triangle Cash payment of interest, fees and commissions			Including: Dividends and profits paid to non-controlling interests by subsidiaries	11,483,378.92	28,691,240.58
△Cash paid for policy dividends			Cash paid related to other financing activities	1,630,022,015.62	779,918,634.00
Cash paid to and for employees	1,206,215,551.42	1,233,340,076.57	Subtotal cash outflow from financing activities	35,054,541,688.60	31,092,588,540.17
Taxes paid	1,258,605,017.05	2,105,693,857.19	Net cash flow from financing activities	4,719,312,623.58	6,340,057,665.65
Cash paid related to other operating activities	97,115,495,590.24	60,773,388,887.31	ואי ווווקמרר טו פארומווצפ דמנפ וותכנשמוטווא טוו כמאו מוות כמאו	-12,274,398.66	15,734,187.77
Subtotal of cash outflows from operating activities	135,920,800,207.48	108,856,878,746.63	V. Net increase in cash and cash equivalents	-1,115,136,403.83	3,090,958,369.96
Net cash flow from operating activities	-2,218,837,791.70	1,835,502,158.40	Add: Balance of cash and cash equivalents at the beginning of the period	11,408,165,239.69	8,317,206,869.73
II. Cash flow from investment activities:			VI. Balance of cash and cash equivalents at the end of the period	10,293,028,835.86	11,408,165,239.69
Cash received from disinvestment	6,818,695,416.70	4,154,937,256.67	d		

Parent Company's Cash Flow Statement

Hem.	2020	2019	ltem	2020	2019
I. Cash flow arising from operating activities:			Cash received from the return of investment	201,428,045.37	102,250,611.88
Cash received from sales of goods or rendering services	394,415,903.48	61,533,025.95	Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets		1,430,000.00
△Net increase in costomer deposits and interbank deposits			Net cash received from dispose of subsidiaries and other business units	510,000,000.00	
△Net increase in borrowing from the central bank			Cash received related to other investing activities		
△Net increase in borrowing from other financial institutions			Subtotal of cash inflow from investing activities	1,011,428,045.37	103,680,611.88
\triangle Cash received for original insurance contract premiums			Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets	1,402,878.57	869,153.00
△ Net cash received from reinsurance business			Cash paid for investment	00.000,000,009	4,283,684,536.00
△Net increase in funds and investments for policyholders			△Net increase in pledged loans		
\triangle Net increase in disposals of financial assets measured at fair value through profit or loss			Net cash paid by subsidiaries and other business units		
△Cash for interest, fees and commissions			Cash paid related to other investing activities		
△Net increase in borrowing funds			Subtotal of cash outflows from investing activities	601,402,878.57	4,284,553,689.00
△ Net increase in funds from repurchase business			Net cash flow from investing activities	410,025,166.80	-4,180,873,077.12
△Net cash received from agency trading of securities			III. Cash flow from financing activities:		4
Received tax refunds			Cash received from external investment	200,000,000.00	2,130,000,000.00
Cash received related to other operating activities	3,748,077,986.00	7,807,926,909.13	Including: the subsidiary received cash from non-controlling interests' investment		
Subtotal of cash inflow from operating activities	4,142,493,889.48	7,869,459,935.08	Cash received from loans granted	7,905,000,000.00	5,895,000,000.00
Cash paid for the purchase of goods and services	115,453.24	2,316,991.03	△ Cash received from bonds issued		
△Net increase in customer loans and advances			Cash received relating to other financing activities	8,750,000,000.00	8,707,627,268.34
△ Net increase in central bank and interbank deposits			Subtotal cash inflow from financing activities	17,155,000,000.00	16,732,627,268.34
△Cash payment of original insurance contract benefits			Payment of debt in cash	12,428,086,298.54	8,434,886,838.03
△ Net increase in funds disbursed			Cash used to pay dividends, profits, or interest payments	1,451,000,024.35	1,086,168,783.67
\triangle Cash payment of interest, fees and commissions			Including: Dividends and profits paid to non-controlling interests by subsidiaries		
△ Cash paid for policy dividends			Cash paid related to other financing activities	44,112,370.21	73,182,704.92
Cash paid to and for employees	56,226,105.39	69,081,362.95	Subtotal cash outflow from financing activities	13,923,198,693.10	9,594,238,326.62
Taxes paid	20,413,684.94	11,910,336.64	Net cash flow from financing activities	3,231,801,306.90	7,138,388,941.72
Cash paid related to other operating activities	7,878,773,508.94	9,903,047,282.96	וויווים בכנים באכוו מחוצב דמני חומכנים מנוחו במאוו מחום במאוו	-20,315.04	14,073,787.94
Subtotal of cash outflows from operating activities	7,955,528,752.51	9,986,355,973.58	V. Net increase in cash and cash equivalents	-171,228,704.37	854,693,614.04
Net cash flow from operating activities	-3,813,034,863.03	-2,116,896,038.50	Add: Balance of cash and cash equivalents at the beginning of the period	2,870,747,888.56	2,016,054,274.52
II. Cash flow from investment activities:			VI. Balance of cash and cash equivalents at the end of the period	2,699,519,184.19	2,870,747,888.56
Cash received from disinvestment	00 000 000		4		

Principal in charge of accounting:

equity
shareholders'
of changes in
statement o
Consolidated

Part	一	The state of the s							Current year amount	mount					
	N. T.	即 1				Equity at	ttributable to	shareholders of th	e parent compan	, A					
A	Item A	Paid-in capital	Preferred	Other equity instruments	i i		ss: treasury Ot	ther comprehensive income	Special reserve		△ General risk reserve	Retained earnings	Subtotal		Total shareholders' equity
4,000,000,000 4,100,000,00	Column	10	share	and legislation	one.	u	4	1	0	a			c,	.,	*
1,10,10,000,000 1,10,10,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,10,10,10 1,	Contract of the second of section of	00 000 000 0	,	00 000 000 0	,	27 000 000 000	+	200000000000000000000000000000000000000	0		70	17	77	13	14
CONTINUE	Closing balance of last year	4,000,000,000,4		4,100,000,000,00	1	9,937,378,020.36	-	1,194,452,488.35	3,117,081.50	77,372,098.54	443,994,028.47	3,390,490,736.30	20,122,004,453.73	18,753,874,587.90	38,875,879,041.63
1,00,000,000 1,0,00,000,000 1,0,00,000,000 1,0,00,000,000 1,0,00,00,	impact from changes in accounting policies				1										
4,000,000,000 4,100,000,00															
448900000000 4,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,0000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,00000000 2,000000000 2,000000000 2,000000000 2,000000000 2,000000000 2,0000000000	Others	Tables of the same													
280,565,060,16 260,000,000 236,041,123 4,1225,010,004 2,125,010,004	. Opening balance of current year	4,030,000,000.00		4,100,000,000.00		6,937,578,020.56	1	1,194,452,488.36	3,117,081.50	22,372,098.54	443,994,028.47			18,753,874,587.90	38,875,879,041.63
With Channels of The Part of Th	. Movement for current year ("-" for decrease)	280,963,080.16		200,000,000,000		-296,064,142.51	-1	1,225,970,303.41			206,061,975.69	937,607,867.56		-709,005,319.75	-306,406,842.26
Substitution Subs	1) Total comprehensive income						-1	1,225,970,303.41				1,387,999,843.25		-48,582,460,57	113.447.079.27
17,427,623,14 18,000,000 17,427,623,14 18,000,000 17,427,623,14 18,000,000 17,427,623,14 18,000,000 17,427,623,14 18,000,000 17,427,623,14 18,000,000 17,427,623,14 18,000,000 17,427,623,14 18,000,000 18,00	 Shareholder's contributions and withdrawals of 			500,000,000,000		12,429,757.65							512,429,757.65	-622,488,300.26	-110,058,542.61
1,457,623,44 4,77,599,602,79 4,742,023,44 4,77,299,602,79 4,7259,263,54 4,77,299,602,79 4,7259,263,79 4,77,299,602,79 4,7259,2602,79 4,7259	portal					*** *** ***									
Signostrian Signostical	1) Common stock contributed by shareholders					17,457,623.14							17,457,623.14	-477,399,960.57	-459,942,337.43
d in shareholder's file and sold statement of the shareholder's file and shareholder's file	 Capital contributed by other equity instruments olders 			500,000,000.00									200,000,000,000		500,000,000,000
Treatrice	3) Share-based payment recorded in shareholder's														
Freefree	tuity														
Friedrice	4) Others					-5,027,865.49							-5,027,865,49	-145,088,339,69	-150.116.205.18
Part) Withdrawal and use of special reserve														
### Part	Withdrawal of special reserve														
Lund	. Use of special reserve														
Lund	Profits distribution					-27,530,820.00	-3				206,061,975.69	-450,391,975.69	-271,860,820.00	-37,934,558.92	-309,795,378.92
Lind	Appropriation of surplus reserve														
Figure F	Including:Statutory reserve fund														
Fund	Discretionary reserve														
Lund Lund <th< td=""><td>#Reserve fund</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	#Reserve fund														
Ves Company Co	#Enterprise development fund														
Vest Description 206,061,975.69	#Return on investment													T. T	
Control Cont	2.Extraction of general risk reserves										206,061,975.69	-206,061,975.69			
Part	3.Distribution to shareholders											-244,330,000.00	-244,330,000.00	-37,934,558.92	-282,264,558.92
Jacob Secretary 280,965,080.16 280,963,080.16 280	4.Others					-27,530,820.00				NY I			-27,530,820.00		-27,530,820.00
Part	Internal transfer within shareholder's equity	280,963,080.16				-280,963,080.16									
Foreign State	1) conversion of capital reserve into strate	280,963,080.16				-280,963,080.16									
Server Server Compared to Searnings are earnings are earnings. Server	2) conversion of surplus reserve into strate														
forward to forward to Factorings are earnings Factoring Section (2000)	3) Recover of loss by surplus reserve														
earnings are earnings are earnings 4,310,963,080,16 4,600,000,000 00 6,641,513,878.05 73,117,815.05 3,117,081.50 72,372,098.54 650,056,004.16 4,228,098,603.86 70,524,602,931.22 18,044,869,268.15	4) Benefit plans are carried forward to														
earnings are earnings at 4,500,000,000,00 6,641,513,878.05 73,117,815.05	retained earnings														
earnings 4,310,963,080.16 4,600,000,000.00 6,641,513,878.05 3,117,081.50 22,372,098.54 650,056,004.16 4,328,098,603.86 20,524,602,931.22 18,044,869,268.15	☆5) Other comprehensive earnings are														
4,310,963,080.16 4,600,000,000.00 6,641,513,878.05 -31,517,815.05 3,117,081.50 22,372,098.54 650,056,004.16 4,328,098,603.86 20,524,602,931.22 18,044,869,268.15	carried forward to retained earnings														
4,310,965,080.16 4,500,000,000000 6,641,513,878.05 -31,517,815.05 3,117,081.50 22,372,098.54 650,056,004.16 4,326,096,603.86 20,524,602,931.22 18,044,869,268.15	6) Others														
	. Closing balance of current year	4,310,963,080.16		4,600,000,000.00		6,641,513,878.05		-31,517,815.05	3,117,081.50	22,372,098.54	650,056,004.16	4,328,098,603.86	20,524,602,931.22		38,569,472,199.37

Consolidated Statement of Changes in Shareholders' Equity (Continued) December 31st, 2020

	1						Prio	Prior year amount	1					
一	1				Equity at	ributable to shareho	Equity attributable to shareholders of the parent company	company						
ttem	1		Other equity instruments	П		Less: treasury Other comprehensive	-						Non-controlling interests	Total shareholders' equity
CAN CONTRACTOR	Raid-in capital	Preferred	Perpetual bond	Other	Capital reserve			Special reserve Su	Surplus reserve	△ General risk reserve	Retained earnings	Subtotal		
Column	17	2	3	4	5	6 7		60	6	10	11	12	13	14
1. Closing balance of last year	3,970,203,502.35		2,000,000,000.00		6,741,498,993.86	1,116,41	1,116,412,547.20 3,117	3,117,081.50 22	22,372,098.54	280,126,919.94	2,994,774,973.54	17,128,506,116.93	18,754,965,042.01	35,883,471,158.94
Add: Impact from changes in accounting policies														
Others											-4,211,275.01	-4,211,275.01		-4,211,275.01
2. Opening balance of current year	3,970,203,502.35		2,000,000,000.00		6,741,498,993.86	1,116,41	1,116,412,547.20 3,117	3,117,081.50 22	22,372,098.54	280,126,919.94	280,126,919.94 2,990,563,698.53	17,124,294,841.92	18,754,965,042.01	35,879,259,883.93
3. Movement for current year ("-" for decrease)	59,796,497.65		2,100,000,000.00		196,079,026.70	78,03	78,039,941.16			163,867,108.53	77.780,729,988	2,997,709,611.81	-1,090,454.11	2,996,619,157.70
(1) Total comprehensive income						78,03	78,039,941.16				789,790,398.44	867,830,339.60	956,456,169,83	1.824.286.509.43
(2) Shareholder's contributions and withdrawals of captial	59,796,497.65		2,100,000,000.00		213,352,726.70					7,863,747.86		2,381,012,972.21	-701,560,236.87	1,679,452,735.34
1) Common stock contributed by shareholders	59,796,497.65				15,300,000.00							75.096.497.65	-792 580 339 33	-717 483 841 68
2) Capital contributed by other equity instruments			2,100,000,000.00									2.100,000,000.00		2.100.000.000.00
noiders				1										1
 Share-based payment recorded in shareholder's equity 														
4) Others					198,052,726.70					7.863.747.86		205 916 474 56	91 020 102 46	295 935 577 02
(3) Withdrawal and use of special reserve														
1. Withdrawal of special reserve														
2. Use of special reserve														
(4) Profits distribution					-17,273,700.00					156,003,360.67	-389,863,360.67	-251,133,700.00	-255.986.387.07	-507.120.087.07
1) Appropriation of surplus reserve														
Including:Statutory reserve fund														
Discretionary reserve														
#Reserve fund														
#Enterprise development fund														
#Return on investment														
2.Extraction of general risk reserves									3	156,003,360.67	-156,003,360.67			
3.Distribution to shareholders											-233,860,000.00	-233,860,000.00	-255.986.387.07	489.846.387.07
4.Others					-17,273,700.00			7				-17,273,700.00		-17.273.700.00
(5) Internal transfer within shareholder's equity														
2) CONVERSION OF SUI plus reserve TITCO STATE				+										
3) Recover of loss by surplus reserve				-										
4) Benefit plans are carried forward to														
retained earnings														
☆5) Other comprehensive earnings are														
carried forward to retained earnings														
6) Others														
4. Closing balance of current year	4,030,000,000.00		4,100,000,000.00		6,937,578,020.56	1,194,45	1,194,452,488.36 3,117	,081.50 22	3,117,081.50 22,372,098.54	443,994,028.47	443,994,028.47 3,390,490,736.30	20,122,004,453.73	18,753,874,587.90	38.875.879.041.63

Parent company's Statement of Changes in Shareholders's Equity December 31st, 2020

												Unit: RMB
1	É					Current	Current year amount					
Item in	Paid-in capital Pref	Other equity instrument Preferred Perpetual bond	struments bond Other		Capital reserve sl	Less: treasury O	Other comprehensive income	Special	Surplus reserve	General	Retained earnings	Total shareholders' equity
Column		2 3	4		5	9	7	∞	6	10	11	12
1. Closing balance of last year	00.000,000,000	4,100,000,000	00,000,00	6,169,9	6,169,971,209.90		6,020,834.30		22,372,098.54		-778,306,175.67	13,550,057,967.07
Add: Impact from changes in accounting policies												
Impact from corrections of errors in prior period												
Others												
2. Opening balance of current year	4,030,000,000.00	4,100,000,000	00,000,00	6,169,9	6,169,971,209.90		6,020,834.30	26	22,372,098.54		-778,306,175.67	13,550,057,967.07
3. Movement for current year ("-" for decrease)	280,963,080.16	0,005	500,000,000,00	-280,8	-280,829,575.36		-35,905,033.00				-323,891,008.77	140,337,463.03
(1) Total comprehensive income							-35,905,033.00				-79,561,008.77	-115,466,041.77
Sital efforcer's contributions and withdrawars of		0,005	500,000,000,00	1	133,504.80							500,133,504.80
1) Common stock contributed by shareholders									Ì			
Capital continuodes by other equity instruments		20000	500,000,000,000							1		500.000.000.005
3) Sifare-based payment recorded in snaremonder s												
4) Others				1	133,504.80							133,504.80
(3) Withdrawal and use of special reserve												
1. Withdrawal of special reserve												
2. Use of special reserve		N N		W N								
(4) Profits distribution											-244,330,000.00	-244,330,000.00
1) Appropriation of surplus reserve												
Including:Statutory reserve fund												
Discretionary reserve												
#Reserve fund												
#Enterprise development fund												
#Return on investment												
2.Extraction of general risk reserves												
3.Distribution to shareholders											-244,330,000.00	-244,330,000.00
4.Others												
(5) Internal transfer within shareholder's equity	280,963,080.16			-280,9	-280,963,080.16							
1) Conversion of capital reserve into share capital	280,963,080.16			-280,9	-280,963,080.16							
2) Conversion of surplus reserve into share capital												
3) Recover of loss by surplus reserve												
なら) Other comprehensive earnings are carried												
forward to retained earnings												
6) Others												
A Closing halance of current year	21 000 020 010 1	7 500 000 000	000000				00000000					

Parent company's Statement of Changes in Shareholders's Equity (Continued) December 31st, 2020

Prepared by: Wuhan Financial Holdings (Group), Co., Ltd.												Unit: RMB
大						Pr	Prior year amount					
A MARINE TO THE PARTY OF THE PA	letines ni bied		Other equity instruments			Less: treasury	Other comprehensive Sp	Special		General		
校・一	raio-in capital	Preferred	Perpetual bond	Other	Capital reserve	share		reserve	Surplus reserve	risk	Retained earnings	Total shareholders' equity
Column	1	2	3	4	5	9	7	8	6	10	11	12
1. Closing balance of last year	3,970,203,502.35		2,000,000,000.00		5,947,689,147.58		18,307,882.88		22,372,098.54		-537,468,246.93	11,421,104,384.42
Add: Impact from changes in accounting policies												
Impact from corrections of erfors in prior period												
Others												
2. Opening balance of current year	3,970,203,502.35		2,000,000,000.00		5,947,689,147.58		18,307,882.88		22,372,098.54		-537,468,246.93	11,421,104,384.42
3. Movement for current year ("-" for decrease)	59,796,497.65		2,100,000,000.00		222,282,062.32		-12,287,048.58				-240,837,928.74	2,128,953,582.65
(1) Total comprehensive income							-12,287,048.58				-6,977,928.74	-19,264,977.32
(2) Shareholder's contributions and withdrawals of captial	59,796,497.65		2,100,000,000.00		222,282,062.32							2.382.078.559.97
1) Common stock contributed by shareholders	59,796,497.65											59.796.497.65
2) Capital contributed by other equity instruments holders			2,100,000,000.00									2.100.000.000.00
3) Share-based payment recorded in shareholder's equity												200000000000000000000000000000000000000
4) Others					222,282,062.32							22 282 062 32
(3) Withdrawal and use of special reserve												
1. Withdrawal of special reserve												
2. Use of special reserve												
(4) Profits distribution											-233 860 000 00	-233 860 000 00
1) Appropriation of surplus reserve												
Including:Statutory reserve fund												
Discretionary reserve												
#Reserve fund												
#Enterprise development fund												
#Return on investment												
△2.Extraction of general risk reserves												
3. Distribution to shareholders											-233,860,000.00	-233.860.000.00
4.Others												
(5) Internal transfer within shareholder's equity												
1) Conversion of capital reserve into share capital												
2) Conversion of surplus reserve into share capital												
3) Recover of loss by surplus reserve												
4) Benefit plans are carried forward to retained earnings												
☆5) Other comprehensive earnings are carried forward to retained earnings												
6) Others												
4. Closing balance of current year	4,030,000,000.00		4,100,000,000.00		6,169,971,209.90		6,020,834.30		22.372.098.54		-778 306 175 67	13 550 057 967 07
Legal representative: Principal in charge of accounting:	accounting:	2.	Head of accounting department:		茶品		DC-550/070'0		42,577,098,54		-778,306,175.67	13,550,057,967.07

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2020

(Unless otherwise specified, the amounts stated in the note are expressed in RMB)

I. Background of the Company

(1) Corporate history, place of registration, organization form, and address of HQ

Wuhan Financial Holdings (Group) Co., Ltd.(was formerly known as "Wuhan Economic Development Investment(Group) Co., Ltd.", hereinafter referred to as "the Company" and collectively referred to as "the Group" when including subsidiaries) is a wholly state-owned company approved by the General Office of Wuhan Municipal Party Committee and Government [2005], No. 28. It was formed by merger and reorganization of the state-owned equity of nine companies originally belonged to the Municipal Office and Bureau, namely Wuhan Development Investment Co., Ltd. (hereinafter referred to as "Development Investment Company"), Wuhan Communications Construction Investment Co., Ltd.(hereinafter referred to as "Communications Investment Company"), Wuhan State-owned Industry Investment Co., Ltd.(hereinafter referred to as "Industry Investment Company"), Wuhan Construction Investment Company(hereinafter referred to as "Construction Investment Company"), Wuhan Agricultural Investment Co., Ltd., Wuhan Torch Technology Investment Co., Ltd., Wuhan Yangtze River Economy United Development Co., Ltd.(hereinafter referred to as "Yangtze River Development Company"), Wuhan Venture Guarantee Co., Ltd. and Wuhan Minfa Credit Guarantee Co., Ltd. in August 2005. The Company is financed by the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People's Government, with a contribution ratio of 100%. On August 8th, 2015, the Group officially changed its name to "Wuhan Financial Holdings (Group) Co., Ltd.".

The Company's current registration number / unified social credit code is 91420100778164444G, and the registered capital is RMB 10 Billion, the paid-in capital is 4.311 billion, the legal representative is Shen Zanxiong, the registered address: 77 Changjiang Daily Road, Jianghan District, Wuhan City.

During the year, the registered capital of the Company was changed from RMB 4 billion to RMB 10 billion as approved by the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People's Government. During the year, the Company increased its capital by RMB 2.81 million through capital reserve transfer.

(2) Nature of business and main business activities

Equity investment and management in the financial industry; carry out investment business related to industrial structure adjustment such as energy, environmental protection, high-tech, urban infrastructure, agriculture, manufacturing, logistics, real estate, trade, tourism, hotel, etc.; Wholesale and retail of construction and decoration materials, metal and non-metal materials, agricultural and sideline products, machinery and electrical appliances; warehouse service; non-financial equity investment and management; investment management consulting; enterprise management services; financial information and technology studies(business operations that are subject to examination and approval in accordance with the law may be carried out only after approval by the relevant departments)

(3) Name of the ultimate controller

The ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government.

(4) Approval of financial reports for reporting

The Group's financial report is approved by the Board of Directors with an approval date of April 25th, 2021.

(5) Term of operation

The operating period is perpetual.

II. Basis for the preparation of the financial statements

The Group's financial statements have been prepared on the basis of going concern assumptions and based on actual transactions and events in accordance with the Accounting Standards for Business Enterprises - Basic Standards issued by the Ministry of Finance (Ministry of Finance Decree No. 33, amended by Ministry of Finance Decree No. 76), 42 specific accounting standards issued and amended on February 15th, 2006 and thereafter, guidance on the application of Accounting Standards for Business Enterprises, interpretation of Accounting Standards for Business Enterprises and other related provisions (hereinafter collectively referred to as "Accounting Standards for Business Enterprises")

III. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of corporate accounting standards and give a true and complete view of the Group's financial position as at December 31st, 2020, and information relating to operating results and cash flows for fiscal year 2020.

IV. Significant accounting policies and accounting estimates

1. Accounting period

The Group's accounting period is from January 1st to December 31st.

2. Functional currency

The Group uses RMB Yuan as its functional currency.

Basis of bookkeeping and pricing principles

The Group's accounting is based on the accrual basis of accounting. Except for trading financial assets and available-for-sale financial assets are measured at fair value, the financial statements are measured on the historical cost basis.

4. Business combinations

Assets and liabilities acquired by the Group as combining party in business combination under common control are measured at the combined party's carrying amount in the consolidated statements of ultimate control at the date of combination. The capital reserve adjustments are made according to the difference between the carrying value of the net assets obtained and the carrying value of the consolidated consideration paid; retained earnings is adjusted if the capital reserve is insufficient to be written down.

The identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in the business combination under different control are measured at fair value on the acquisition date. The costs of the combination is the sum of the fair value of the cash or non-cash assets paid, liabilities issued or assumed, equity securities issued by the Group at the date of purchase in order to obtain control of the acquiree and all the direct related expenses incurred

in the business combination (in a business combination achieved through multiple transactions, the combined cost is the sum of the costs of each individual transaction) The difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets obtained in the combination is recognized as goodwill. If the cost of the combination is less than the share of the fair value of the acquiree's identifiable net assets acquired in the combination, the fair value of each identifiable asset, liability and contingent liability acquired in the combination, as well as the fair value of the non-cash assets or equity securities issued of merger consideration are first reviewed; after the review, if the cost of the combination is still less than the fair value of the acquiree's share of the identifiable net assets acquired in the combination, the difference is recognized in the non-operating income of the current period.

- 5. Methodology for the preparation of the consolidated financial statements
- (1) Principles for determining the scope of the consolidated financial statements

The Group includes all controlled subsidiaries within the scope of consolidated financial statements.

(2) Principles, procedures and methods of preparation of consolidated financial statements

If, in preparing the consolidated financial statements, the subsidiaries do not conform to the accounting policies or accounting periods adopted by the Company, the subsidiaries' financial statements are adjusted as necessary in accordance with the Company's accounting policies or accounting periods.

All significant internal transactions, balances and unrealized profits within the scope of combination are eliminated in the preparation of the consolidated financial statements. The shares of owner's equity in subsidiaries that do not belong to the parent company and the shares of net income, other comprehensive income and total comprehensive income attributable to non-controlling interests are shown in the consolidated financial statements under the item "non-controlling interests, minority gains and losses, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders" respectively.

For subsidiaries acquired through business combination under the same control, the results of operations and cash flows are included in the consolidated financial statements from the beginning of the period of combination. In preparing the comparative consolidated financial statements, the relevant items in the previous year's financial statements are adjusted as if the reporting entity resulting from the combination had been in existence since the point at which the ultimate controlling party began to control it.

In the case of a business combination that results from the acquisition of equity in investees under the same control obtained through multiple transactions step by step, adjustments are made in the consolidated financial statements as if they had been in existence in their current state at the time when the ultimate controlling party began to control. When preparing the comparative financial statements, consolidate the relevant assets and liabilities of the combined party into the comparative statements of the Group's consolidated financial statements to the extent not earlier than the point at which both the Group and the combined party are under the ultimate controlling party's control, and adjust the related items under owner's equity in the comparative statements for the increase in net assets resulting from the consolidation. In order to avoid double counting of the value of the combined party's net assets, on the date of acquisition of the original equity, the Group's long-term equity investments held prior to reaching combination and the recognized gains and losses, other comprehensive income and other changes in net assets between the date of combination and

whichever date the Group and the combined party are in the ultimate control of the same party, shall be offset against opening retained earnings and current profits and losses, respectively, in the comparative statements period.

For subsidiaries acquired through business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Group acquires control. In preparing the consolidated financial statements, adjustments are made to the financial statements of subsidiaries based on the fair value of each identifiable asset, liability and contingent liability determined at the date of purchase.

In the case of a business combination that results from the acquisition of equity in investees not under the same control through multiple transactions step by step, the equity in the acquirees held before the date of purchase is remeasured at its fair value at the date of purchase when preparing the consolidated financial statements. The difference between the fair value and its carrying value is included in the current investment income. The relevant equity of the acquirees held prior to the purchase date that relates to other comprehensive income under the equity method and other changes in owner's equity (not including net profits and losses, other comprehensive income, and profit distribution) is transferred to investment gains and losses in the current period at the date of purchase. Other comprehensive income resulting from the remeasurement of the investee's changes in net liabilities or assets of the defined benefit plan is not included.

The Group partially disposes long-term equity investments in subsidiaries without losing control. In consolidated financial statements, adjustments of capital premium or equity premium are made based on the difference between the disposal of the price and disposal of the share of the net assets calculated on an ongoing basis of the subsidiary to which a long-term equity investment is entitled since the date of purchase or combination. If the capital reserve is insufficient to be written down, the retained earnings is adjusted

When control of the investees is lost as a result of the disposition of a portion of the equity investment or otherwise, the remaining equity is remeasured to its fair value at the date of loss of control in the preparation of consolidated financial statements. The difference between the consideration obtained for the disposal of the equity interest and the fair value of the remaining equity interest, less the proportionate share of the original subsidiary's net assets calculated on a continuing basis from the date of purchase or combination, is included in investment profits and losses in the period in which control is lost, and goodwill is written down at the same time. Other comprehensive income related to equity investments in former subsidiaries is transferred to current investment profits and losses upon loss of control

When the Group's equity investment in a subsidiary is disposed of through multiple transactions step by step up to the loss of control, if transactions that dispose of equity investments in subsidiaries up to the point of loss of control are part of a package deal, each transaction is accounted for as a disposal of the subsidiary and loss of control; however, the difference between the price of each disposal prior to the loss of control and the share of the subsidiary's net assets corresponding to the disposal of the investment is recognized in the consolidated financial statements as other comprehensive income, which is transferred to the investment gain or loss in the period of loss of control when the control is lost.

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

The joint venture arrangement of the Group includes joint operations and joint ventures. The Group, as a joint venture in joint operations, recognizes assets held and liabilities assumed separately, as well as assets held and liabilities assumed by shares, and recognizes the related revenue and costs individually or on a share basis in accordance with relevant agreements.

When transactions involving the purchase and sale of assets do not constitute a business with the joint operations, only the portion of the gain or loss resulting from the transaction attributable to the other participants in the joint operation is recognized.

7. Criteria for determining cash and cash equivalents

Cash in the Group's statement of cash flows refers to cash on hand and deposits that are readily available for payment. Cash equivalents in the statement of cash flows are investments that are held for no more than three months, highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

- 8. Foreign currency operations and translation of foreign currency statements
- (1) Foreign currency transactions

The foreign currency amount is converted into RMB amount at the spot exchange rate on the transaction date in the Group's foreign currency transactions. On the balance sheet date, foreign currency monetary items are converted into RMB at the spot exchange rate on the balance sheet date, and the resulting translation differences are directly recognized in current profits and losses, except for exchange differences arising from foreign currency borrowings specifically for the acquisition or production of assets eligible for capitalization(which are treated in accordance with the capitalization principle)

(2) Translation of financial statements in foreign currencies

The items of assets and liabilities in the balance sheet of foreign currency are translated at the spot exchange rate on the balance sheet date. Except for the "undistributed profits", the owners' equity items are converted at the spot exchange rate at the time of the occurrence of the business. The income and expense items in income statements are translated at the spot exchange rate on the date of transaction. The foreign currency translation differences resulting from the above translations are presented under "other comprehensive income" in owner's equity. Foreign currency cash flows are translated using the spot exchange rate at the date of the cash flow. The effect of changes in exchange rates on cash is shown separately in the statement of cash flows.

- 9. Financial assets and liabilities
- (1) Financial assets

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

1) Classification, basis of recognition and measurement of financial assets

According to the investment purpose and economic substance, the financial assets owned by the Group are classified as financial assets at fair value through current profit or loss, held-to-maturity investments, receivables, and available-for-sale financial assets.

Financial assets at fair value through current profit or loss for the current period include trading financial assets and financial assets designated at fair value through current profit or loss at initial recognition. The Group classifies financial assets as trading financial assets if one of the following conditions is met: it is acquired for the primary purpose of selling in the short term; it is part of a centrally managed portfolio of identifiable financial instruments for which there is an objective evidence that the Company has recently managed the portfolio for short-term profit; and it is a derivative instrument, except for derivatives that are designated and effective hedging instruments, derivatives that are financial guarantee contracts, derivatives linked to investments in equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured and are subject to settlement through

delivery of the equity instrument. The Group designates only financial instruments that meet one of the following conditions at the initial recognition as financial assets measured at fair value through current profit or loss: the designation eliminates or significantly reduces inconsistencies in the recognition or measurement of related gains or losses arising from the different measurement bases of the financial instrument; the Company's risk management or investment strategy is formally documented in writing and the portfolio of financial instrument is managed and evaluated on the basis of fair value, and reported to the key management personnel. A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives do not materially change the cash flows of the hybrid instrument or the embedded derivatives is clearly not to be separated from the related hybrid instrument. Hybrid instruments containing embedded derivatives that needs to be separated but cannot be separately measured at the time of acquisition or subsequent balance sheet date. The financial assets designated by the Group mainly include trading financial assets. For such financial assets, the fair value is adopted for subsequent measurement. Changes in fair value are included in profit and loss arising from fair value changes; interests or cash dividends obtained during the holding period of assets are recognized as investment income; at the time of disposal, the difference between its fair value and the initial amount recorded is recognized as investment profit and loss, and profit and loss arising from fair value changes is adjusted at the same time.

Held-to-maturity investments are non-derivative financial assets with fixed maturities, fixed or determinable recovery amounts and which the Group has the express intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method, and gains or losses arising from its amortization or impairment and derecognition are recognized in the current profit or loss.

Receivables are non-derivative financial assets that is not quoted, recovered in a fixed or determinable amount in an active market. It is subsequently measured at amortized cost using the effective interest method, and gains or losses arising from its amortization or impairment and derecognition are recognized in current profits and losses.

Available-for-sale financial assets refers to non-derivative financial assets designated as available-for-sale upon initial recognition, and financial assets not classified in other categories. Within these assets, investments in equity instruments that are not quote d in an active market and whose fair value cannot be reliably measured, as well as d erivative financial assets linked to the equity instrument and subject to settlement thr ough delivery of the equity instrument, are subsequently measured at cost; other asse ts with quoted prices in an active market or fair values that can be reliably measured despite the absence of quoted prices in an active market, are measured at fair valu e, with changes in fair value recognized in other comprehensive income. For such fina ncial assets measured subsequently at fair value, except for impairment losses and exc hange gains and losses resulting from foreign currency monetary financial assets, chang es in fair value of available-for-sale financial assets are recognized directly in sharehold ers' equity. When the financial asset is derecognized, the accumulated changes in fair value that were previously recognized directly in equity are transferred to current profi t or loss. Interests of available-for-sale debt instrument investments calculated using th e effective interest method during the holding period, as well as cash dividends declar ed by the investees related to investments in available-for-sale equity instruments, are recognized as investment income in current profits and losses. Investments in equity i nstruments that are not quoted in an active market and whose fair value cannot be r eliably measured are measured at cost.

2) Basis for recognition and measurement of transfers of financial assets

A financial asset is derecognized if one of the following conditions is met: ① the contractual right to receive cash flows from the financial asset is terminated; ② the financial asset is transferred and almost all risks and rewards of ownership of the financial asset are transferred to the transferring party by the Group; ③ the financial asset is transferred and the Group relinquishes control of the financial asset although it neither transfers nor retains ownership of almost all risks and rewards of the financial asset.

Where an enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset and has not relinquished control of that financial asset, the financial asset is recognized to the extent that it continues to be involved in the transferred financial asset and a liability is recognized accordingly.

When a transfer of a financial asset as a whole meets the conditions for derecognition, the difference between the carrying value of the transferred financial asset and the consideration received for the transfer and the cumulative amount of the change in fair value originally included in other comprehensive income is recognized in profit or loss in the current period.

When a partial transfer of financial assets satisfies the conditions for derecognition, the carrying value of the transferred financial assets is apportioned between the derecognized and non-derecognized portions to their relative fair values and the difference between the consideration received for the transfer and the cumulative amount of the change in fair value originally included in other comprehensive income that should have been apportioned to the derecognized portion and the aforementioned apportioned carrying amount is recognized in profit or loss in the current period.

(3) Test methods and accounting treatments for impairment of financial assets

Except for financial assets measured at fair value through current profit or loss, the Group examines the carrying value of other financial assets at balance sheet date and provides for impairment if there is objective evidence that a financial asset is impaired.

In the event of impairment of financial assets measured at amortized cost, the impairment provision is made according to the difference between the present value of the expected future cash flow (excluding future credit losses not yet incurred) and the book value. If there is objective evidence that the value of the financial asset has been restored and is objectively related to events occurred after the recognition of the loss, the impairment loss originally recognized will be reversed and recorded into the current profit and loss.

When an available-for-sale financial asset is impaired, the accumulated losses resulting from the decline in fair value that were previously recognized directly in owner's equity are transferred out and recognized as impairment losses. For investments in available-for-sale debt instruments for which an impairment loss has been recognized, if the fair value increases after the period and the increase can be objectively related to events occurring after the original impairment loss was recognized, the previously recognized impairment loss is reversed and recognized in current profit or loss. For investments in available-for-sale equity instruments for which an impairment loss has been recognized, an increase in fair value after the period is recognized directly in owner's equity.

(2) Financial liabilities

1) Classification, basis of recognition and measurement of financial liabilities

The Group's financial liabilities are classified at initial recognition as financial liabilities at fair value through current profit or loss and other financial liabilities.

Financial liabilities at fair value through current profit or loss, including trading financial liabilities and financial liabilities designated as at fair value through current profit or loss at initial recognition, are subsequently measured at fair value, with gains or losses arising from changes in fair value and dividends and interest expenses related to the financial liabilities recognized in current profit or loss.

Other financial liabilities are measured subsequently at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The part of a financial liability or obligation that has been discharged may be derecognized only if the present obligation of the financial liability has been discharged in whole or in part. If the company and the creditor sign an agreement to replace the existing financial liabilities by assuming the new financial liabilities, and the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the company shall terminate the recognition of the existing financial liabilities and recognize the new financial liabilities at the same time. If the company substantially modifies all or part of the contract terms of the existing financial liability, the recognition of the existing financial liability or part thereof shall be terminated, and at the same time the modified financial liability shall be recognized as a new financial liability. The difference between the carrying value of the derecognized portion and the consideration paid is recognized in current profit or loss.

(3) Methodology for determining the fair value of financial assets and financial liabilities

The Group measures fair value of financial assets and financial liabilities at the price of major markets; in the absence of major markets, the fair value of financial assets and financial liabilities is measured at the price of the most advantageous market, and the valuation techniques applicable at the time and supported by enough available data and other information is adopted. The input value used in fair value measurement is divided into three levels, that is, the first level input value is the unadjusted quotation of the same assets or liabilities in the active market that can be obtained on the measurement day; the second level input value is a directly or indirectly observable input value of related assets or liabilities in addition to the first level input value; the third level input value is an unobservable input value of the related assets or liabilities. The level of the fair value measurement result is determined by the lowest level of the input value of great significance to the fair value measurement as a whole.

10. Bad debt provision for receivables

The Group takes the following situations as the recognition standard for bad debt losses of receivables: cancellation of debt units, bankruptcy, insolvency, significant cash flow shortfalls, serious natural disasters, etc., which lead to production suspension and inability to debt payment within the foreseeable time; the debt obligation has been overdue for more than three years; other conclusive evidence indicates that the recovery is impossible or unlikely.

Possible bad debt losses are accounted by using the allowance method, and impairment tests are performed individually or in portfolios at the end of the period. Provision for bad debt is made and recorded in current profit or loss. After being approved by the Group in accordance with established procedures, receivables proved to be truly uncollectible with conclusive evidence are regarded as bad debt losses and written off against provision for bad debts.

(1) Receivables with a single significant amount and a single provision for bad debts

Criterion or amount standard for a single item of significant amount	Receivables with a single amount in excess of RMB 50
Criterion of amount standard for a single item of significant amount	million are regarded as significant receivables
Method of making a single provision for bad debts with a single	Provision for bad debts is made on the difference
significant amount	between the present value of its future cash flows and
Significant amount	its book value

(2) Provision for bad debt receivables is made according to the portfolio of credit risk characteristics

Basis for portfolio de	termination
Portfolio 1	The portfolio is divided by the aging of receivables as credit risk characteristics
Portfolio 2	Deposits, claims secured by mortgage, claims against government, claims on long-term strategic partners, microfinance, pawn broking business, etc.
Portfolio 3	Inter-company receivables and employee reserves
Method of provision	for bad debts on a portfolio basis
Portfolio 1	Aging analysis method
Portfolio 2	Recognition is based on the difference between the book value and the present value of the expected future cash flow
Portfolio 3	No provision for bad debts

1) The accrued ratio of provision for bad debts of receivables in portfolio 1 using aging analysis is as follows:

Business of the Group is divided into the financial sector and the trade sector. The proportion of bad debt provision for each business sector is determined according to the credit maturity aging portfolio as follows:

i. Financial sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within 1 year(including1 year)	0.00	0.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	30.00	30.00
3 to 4 years(including 4 years)	50.00	50.00
4 to 5 years(including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

ii. Trade sector

1 Food trade sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within1 year(including1 year)	0.00	0.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	20.00	20.00
3 to 4 years(including 4 years)	30.00	30.00
4 to 5 years(including 5 years)	50.00	50.00

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Over 5 years	100.00	100.00

2 Pharmaceutical sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within1 year(including1 year)	5.00	5.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	30.00	30.00
3 to 4 years(including 4 years)	50.00	50.00
4 to 5 years(including 5 years)	80.00	80.00
Over 5 years	100.00	100.00

3 Steel and logistics sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within1 year(including1 year)	0.00	0.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	10.00	10.00
3 to 4 years(including 4 years)	20.00	20.00
4 to 5 years(including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

2) The percentage of provision for bad debts for finance lease receivables in portfolio 2 using five levels of classification is as follows:

The five levels of accrual ratio of financial leasing companies:

Assets portfolio	Accrued ratio
Normal class	2.50
Attention class	3.00
Subordinated classes	30.00
Suspicious class	60.00
Loss class	100.00

The five levels of accrual ratio for commercial leasing companies:

Assets portfolio	Accrued ratio
Normal class	0.00
Attention class	2.00
Subordinated classes	25.00
Suspicious class	50.00

Assets portfolio	Accrued ratio	
Loss class	100.00	

(3) Receivables for which the individual amounts are not material but for which a single provision for bad debts has been made

Reasons for a single provision for	Receivables for which a single amount is not significant and for which the provision for bad
bad debts	debts on a portfolio basis does not reflect their risk characteristics
Method of making provision for	Provision for bad debts is made on the difference between the present value of its future cash
bad debts	flows and its book value

11. Inventory

The Group's inventory mainly includes raw materials, packaging, low-value consumables, goods in process and finished goods, etc.

Inventories are valued at actual cost at the time of acquisition under the perpetual inventory system. The actual cost of inventories received or issued is determined using the weighted average method. Low-value consumables and packaging materials are amortized by the 50/50 amortization method.

Closing inventory is priced at the lower value between cost and net realizable value. For the part of the inventory that is expected to be unrecoverable due to damages, obsolete in whole or in part, or the selling price being below cost, inventory falling price reserves are withdrawn. Inventory falling price reserves of goods in stock and bulk raw materials are withdrawn according to the difference between the cost of an individual inventory item and its net realizable value. Inventory falling price reserves of other raw and auxiliary materials with large quantity and low unit price are withdrawn according to categories.

The net realizable value of inventory of goods used directly for sale such as inventory, goods in process and materials for sale, is determined at the estimated selling price of the inventory less estimated selling expenses and related taxes. The net realizable value of the inventory of goods used for production is determined on the basis of the estimated selling price of the finished products less the cost, estimated selling expenses and related taxes that will be incurred at the time of completion.

12. Other current assets and other non-current assets

The Group's other current assets and other non-current assets mainly account for entrusted loans, lending funds, microfinance business, pawn business, etc.

The loan principal of entrusted loans is recorded at the amount of loans actually entrusted to financial institutions. At the end of the period, interest receivable is calculated based on the principal amount of the loan and the applicable interest rate.

For overdue external loans with a single significant amount at the end of the period, the Group performs a separate impairment test and recognizes a loan impairment loss based on the difference between the present value of its future cash flows and its carrying amount, and makes a corresponding loan impairment provision accordingly. Significant single-amount overdue external loans refer to the Company's single-amount overdue external loans exceeding RMB 50 million at the end of the period.

In addition to the separate assessment of impairment losses for overdue external loans for which individual amounts have been identified as significant, the Group periodically assesses the impairment losses on its loan asset portfolio. The Group makes a judgment as to whether there is an indication of impairment of the loan asset portfolio that would result in a decrease in expected future cash flows in order to determine whether a provision for loan impairment is required. Indicators of impairment that would result in a decrease in expected

cash flows include a deterioration in the repayment ability of the borrowers in the financial asset portfolio, or an adverse change in the economic environment in which the borrowers operate that results in a default by the borrowers in the financial asset portfolio.

The Group divides the loan assets with similar credit risk characteristics and the outstanding loan interests into different portfolios. Based on the historical experience of losses in the loan asset portfolio with similar credit risk characteristics, the impairment provision of loans is calculated and withdrawn at the following proportion:

Loan portfolio	Accrued ratio
Normal class loans	1.50
Attention class loans	3.00
Subordinated classes loans	30.00
Suspicious class loans	60.00
Loss class loans	100.00

- 13. Long-term equity investment
- (1) Determination of control, joint control or significant influence over the investee

The Group's long-term equity investments mainly comprise equity investments held by the Group that are capable of exercising control and significant influence over its investees, as well as equity investments in its joint ventures.

Control means that the Group has authority over its investees, enjoys a variable return through participation in the investee's related activities, and has the ability to use its authority over the investees to influence the amount of its return.

Joint control means a common control over an arrangement in accordance with the relevant agreement, and decisions about activities related to the arrangement must be made with the unanimous consent of the participants sharing control. A joint venture arrangement is an arrangement that is under the common control of two or more participants. A joint venture means a joint venture arrangement in which the parties have rights only over the net assets of the arrangement. Significant influence means the power to participate in decision-making regarding the financial and operating policies of the investee unit, but does not have control or joint control with others over the development of those policies.

A significant influence is determined primarily on the basis of having representatives on an investee's board of directors or similar authorities, and is implemented through a voice in the financial and operating decision making process of the investee. The Group, directly or indirectly through its subsidiaries, owns 20% (inclusive) or more but less than 50% of voting shares in the investee, and cannot exercise significant influence if there is an clear evidence that it cannot participate in the production and operation decisions of the investee under such circumstances. In determining whether a significant influence can be exercised over an investee, the Group will consider, on the one hand, the voting shares of the investee held directly or indirectly by the Group and, on the other hand, the impact of current executable potential voting rights held by the Group and other parties following a hypothetical conversion into equity interest in the investee, such as current convertible warrants, share options and convertible corporate bonds issued by the investee.

(2) Methods for determining the cost, subsequent measurement, and profit and loss recognition of long-term equity investments

If a cash payment, a transfer of non-cash assets or an assumption of debt is regarded as a merger consideration, the initial investment cost of the long-term equity investment on the combination date is based on the share of the carrying value of the acquisition of the combined party's owner's equity in the consolidated financial statements of the ultimate controlling party. The equity premium in capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of cash paid, non-cash assets transferred and debt assumed; if the equity premium in capital reserve is insufficient to offset it, the retained earnings are adjusted.

If equity securities issued are regarded as merger consideration, the initial investment cost of the long-term equity investment on the combination date is based on the share of the carrying value of the acquisition of the combined party's owner's equity in the consolidated financial statements of the ultimate controlling party, and the total face value of the shares issued is treated as capital stock. The equity premium in capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the total face value of the shares issued; if the equity premium in capital reserve is insufficient to offset it, the retained earnings are adjusted.

Business combinations not under the same control: the company accounts for the initial investment cost of long-term equity investments based on the cost of the combination determined at the purchase date.

Agency fees such as audit, legal services, appraisal and consulting fees in business combinations and other related management fees are charged to current profit or loss when incurred. Transaction costs of equity securities or debt securities issued as merger consideration are included in the initial confirmation amount of equity securities or debt securities.

In addition to the above long-term equity investments obtained through business combinations, the long-term equity investments obtained by paying cash are recorded as investment costs according to the purchase price actually paid; the long-term equity investments acquired with the issuance of equity securities are recorded as investment costs at the fair value of the equity securities issued; the long-term equity investments invested by the investor are regarded as investment costs according to the value agreed upon in the investment contract or agreement; the investment cost of long-term equity investments acquired through debt restructuring, non-monetary asset exchanges, etc., is determined in accordance with the relevant accounting standards.

The Group applies the cost method of accounting for long-term equity investments in investees over which it is able to exercise control; for the investment of joint ventures and associates, the equity method is used.

When the cost method is used, the long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or recovered. The profits or cash dividends distributed by the investee are recognized as investment income.

When using the equity method of accounting, the initial investment cost of the long-term equity investment is not adjusted according to the difference between the initial investment cost and the share of fair value of the investee's identifiable net assets at the time of investment. The difference between the initial cost of the investment and the share of fair value of the investee's identifiable net assets at the time of investment is recognized in current profit or loss and adjusted for the cost of the long-term equity investment. Upon acquisition of a long-term equity investment, investment income and other comprehensive income are recognized separately based on the share of net gains and losses and other comprehensive

income realized by the investee in current year to which they are entitled or share, and the carrying value of the long-term equity investment is adjusted accordingly. The investor calculates the portion to be enjoyed according to the profits or cash dividends declared by the investee, and reduces the book value of the long-term equity investment correspondingly. The investor adjusts the carrying value of the long-term equity investment for other changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee, and includes it in owner's equity. In recognizing the share of net profit or loss attributable to the investee, adjustments to the net profit of the investee are made based on the fair value of each identifiable asset of the investee at the time the investment is acquired in accordance with the Group's accounting policies and accounting periods, and the net profit of the investee is to offset the proportion of unrealized gains and losses of internal transactions between joint ventures and associates in the investment enterprise calculated by the proportion enjoyed, and therefore to recognize the investment income.

(3) Changes in long-term equity investments

For long-term investments that are able to exercise common control or significant influence over an investee due to additional investments or other reasons but do not constitute control, the sum of the fair value of the equity investment originally held and classified as available-for-sale financial assets, plus the cost of the additional investment, is treated as the initial investment cost under the equity method. The difference between the fair value and the carrying value, as well as the cumulative fair value changes previously recorded in other comprehensive income are transferred to the current profit or loss under the equity method. Based on the difference between the initial investment cost calculated from the above calculation and the fair value share of the identifiable net assets of the investee on the additional investment date calculated according to the new shareholding ratio after the additional investment, if the former is greater than the latter, the book value of the long-term equity investment shall not be adjusted; if the former is smaller than the latter, the book value of long-term equity investment shall be adjusted and included in the current non-operating income.

For long-term equity investments in which control can be exercised over investees that are not under the same control due to additional investments, the sum of the carrying value of the equity investment originally held plus the cost of the additional investment is used as the initial cost of the investment when the individual financial statements are prepared as the cost method of accounting. Other comprehensive income recognized as a result of using the equity method of accounting for equity investments existing prior to the date of purchase is accounted on the same basis as the investee's direct disposal of related assets or liabilities on disposal of the investment. If the equity investment held before the purchase date was classified as available-for-sale financial assets for accounting treatment, the changes in the accumulated fair value originally included in other comprehensive income is transferred to the current profit and loss when the cost method is used.

If the Group no longer has common control or significant influence over the investee due to the disposal of a portion of the equity investment or other reasons, and the remaining equity interest after disposal is classified as an available-for-sale financial asset, the difference between the fair value and the carrying value at the date of loss of common control or significant influence is recognized in profit or loss for the current period. Other comprehensive income recognized by the original equity investment as a result of the equity accounting method is accounted on the same basis as the investee's direct disposal of related assets or liabilities when the use of equity method is terminated;

If an investor loses control over an investee due to the disposal of a portion of the equity investment or other reasons, in preparing the individual financial statements, if the remaining equity interest after disposal is capable of exercising joint control or exerting significant influence over the investee, the equity method is used, and the remaining equity interest is adjusted as if the equity method of accounting had been applied from the time of acquisition; if the remaining equity interest after disposal does not exercise common control or significant influence over the investee and is classified as an available-for-sale financial asset, the difference between its fair value at the date of loss of control and its carrying value is recognized in profit or loss for the current period.

(4) Disposal of long-term equity investments

When a long-term equity investment is disposed of, the difference between its carrying value and the price actually received is recognized in the current investment income. In the disposal of long-term equity investments accounted under the equity method, on the same basis as the investee's direct disposal of relevant assets or liabilities on the disposal of the investment, the part originally included in other comprehensive income is accounted according to the corresponding proportion

14. Investment property

The Group's investment properties include leased buildings.

The Group's investment properties are recorded at their cost; the cost of purchased investment properties includes the purchase price, relevant taxes and fees and other expenses directly attributable to the asset; the cost of self-constructed investment properties consists of the necessary expenses incurred before the construction of the asset reaches its intended usable state.

The Group adopts the cost model for subsequent measurement of investment properties and makes provision for depreciation or amortization over their expected operating lives and net residual value. The expected operating lives, net residual values and annual depreciation (amortization) rates of investment properties are as follows:

Category	Depreciation period (years)	Projected residual value rate (%)	Annual depreciation rate (%)
House and buildings	20-40	0-5	5.00-2.38

When the use of investment property is changed to its own use, the investment property is converted to a fixed or intangible asset from the date of the change. Conversion of fixed assets or intangible assets into investment property from the date of change of use of the property to earn rent or capital appreciation. When a conversion occurs, the carrying value before conversion is used as the entry value after conversion.

Recognition of investment property is terminated when the property is disposed of or permanently withdrawn from use and no economic benefit is expected from its disposal. Income from the sale, transfer, obsolescence or destruction of investment properties is recognized in profit or loss for the current period after deducting their book value and related taxes and fees

15. Fixed assets

The Group's fixed assets refer to the tangible assets with the following characteristics at the same time, that is, the tangible assets held for the purpose of production of goods, the provision of services, rental, or operation management, and have a useful life of more than one year.

Fixed assets, including house and buildings, machinery and equipment, transportation equipment, office equipment and other equipment, are stated at cost at the time of acquisition. Among them, the cost of purchased fixed assets includes relevant taxes and fees such as purchase price and import duty, as well as other expenses that can be directly attributed to the fixed assets before the fixed assets reach the predetermined usable state; the cost of a self-constructed fixed asset consists of the necessary expenditure incurred in constructing the asset until it is ready for its intended use; fixed assets invested by investors are recorded at the value agreed upon in the investment contract or agreement, but the value agreed upon in the contract or agreement which is not fair is recorded at fair value; fixed assets leased under finance leases are recorded at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the lease commencement date.

Subsequent expenditures related to fixed assets, including repair expenditures, renovation expenditures, etc., are charged to the cost of fixed assets if they meet the conditions for recognition of fixed assets, and the book value of the replaced part is derecognized. If it does not meet the conditions for recognition of fixed assets, it is recorded to the profit and loss of the current period when it occurs.

The Group depreciates all fixed assets except for fully depreciated fixed assets that continue to be used and land that is separately accounted for. Depreciation is calculated using the average life method and is recorded in the cost or current expense of the related assets respectively, depending on the purpose. The Group's classified depreciable lives, projected net residual value rate and depreciation rate for fixed assets are as follows:

No.	Category	Depreciation period(years)	Projected residual value rate (%)	Annual <u>depreciation</u> rate (%)
1	House and buildings	20-40	0-5	5.00-2.38
2	Machinery and equipment	4-20	0-10	25.00-4.50
3	Transport equipment	5-15	0-10	20.00-6.00
4	Electronic equipment	3-5	0-5	33.33-19.00
5	Office equipment	5-10	0-5	20.00-9.50
6	Other equipment	5-12	2-5	19.60-7.92

At the end of each year, the Group reviews the estimated useful life, estimated net salvage value and depreciation method of fixed assets, and any changes are treated as changes in accounting estimates.

When a fixed asset is disposed or no economic benefit is expected from its use or disposal, the recognition of the fixed asset shall be terminated. Income from the sale, transfer, scrapping or destruction of fixed assets, deducts its book value and related taxes, is recognized in profit or loss for the period.

16. Construction on progress

Construction in progress is measured at actual costs incurred. Self-supported construction works are measured by direct materials, direct wages, direct construction costs, etc.; outsourced construction works are measured by construction prices to be paid, etc.; equipment installation works are measured by the value of equipment installed, installation costs, expenses incurred for commissioning, etc. to determine the project cost. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized

On the date when the construction in progress reaches its intended use, the fixed assets are carried forward to the estimated value according to the construction budget, cost or the actual cost of the construction, and depreciation is charged from the following month onwards. The difference in the original value of the fixed assets is adjusted after the completion of the final accounting procedures.

17. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary costs and exchange differences arising from foreign currency borrowings. Capitalization of borrowing costs directly attributable to the acquisition or production of capitalizable assets begins when expenditures have been incurred on the assets, borrowing costs have been incurred, and acquisition or production activities necessary to bring the assets to a predetermined state of usefulness or marketability have commenced; capitalization of capitalizable assets constructed or produced ceases when they reach a predetermined state of usefulness or marketability. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

Interest expense actually incurred during the period of the special purpose borrowing is capitalized less interest income earned on unused borrowed funds deposited with the bank or investment income earned on temporary investments; the capitalization amount is determined for general purpose borrowing based on the weighted average of asset expenditures in excess of the portion of the special purpose borrowing that is accumulated and multiplied by the weighted average interest rate of the general purpose borrowing occupied.

Assets eligible for capitalization are fixed assets, investment properties and inventories that require a significant period of time (usually refers to over 1 year) for acquisition or production activities to reach a predetermined state of use or sale

If there is an abnormal interruption in the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production of the asset recommences

18. Intangible assets

The Group's intangible assets, including land use rights, patented technology, and non-patented technology, are measured at their actual cost at the time of acquisition. Intangible assets acquired are also measured at the actual price paid and related other expenses as its actual cost. The actual cost of an intangible asset invested by investors is determined at the value agreed upon in the investment contract or agreement; but if the value agreed upon in the contract or agreement is not fair, the actual cost is determined at fair value.

Intangible assets owned by a acquiree acquired in a business combination, but not under the same control and not recognized in the Group's financial statements are only recognized as intangible assets at fair value when one of the following conditions is met in the initial recognition of the acquiree's assets: 1. the intangible assets are from contractual or other statutory rights; 2. the intangible assets are capable of being separated or subdivided from the acquiree and used for sale, transfer, grant of license, lease or exchange, either alone or together with related contracts, assets and liabilities.

The land use right is amortized on an average basis according to the years of grant from the date of transfer; patented technology, non-patented technology and other intangible assets are amortized evenly in installments according to the shortest of either expected life, the beneficial term under contract, or the effective term stipulated by law. The amortization amount is recorded in the cost of relevant assets and current profits and losses according to the beneficiary.

The estimated useful life and amortization method for intangible assets with finite lives are reviewed at the end of each year and any changes are treated as changes in accounting estimates. The expected useful life of an intangible asset with an indefinite useful life is reviewed during each accounting period. When there is evidence that the useful life of an intangible asset is finite, its useful life is then estimated and amortized over its expected useful life.

19. Research and development

The Group's research and development expenditures are divided into research phase expenditures and development phase expenditures based on its nature and whether there is an significant uncertainty about the intangible assets that will ultimately result from the research and development activities. Research phase expenditures are charged to current profit or loss as incurred; development phase expenditures are recognized as intangible assets when the following conditions are met at the same time:

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold;
 - (2) There is an intention to complete and use or sell the intangible asset;
- (3) There is a market for the product produced by the intangible asset or for the intangible asset itself;
- (4) There are sufficient techniques, financial and other resources to support the completion of the development of the intangible asset, and there is an ability to use or sell the intangible asset;
- (5) Expenditures attributable to the development phase of the intangible asset can be measured reliably.

Expenditures in the development phase that do not meet the above conditions are charged to current profit or loss as incurred. Development expenses that have been included in profit and loss in the early stage will not be recognized as assets in the later period. Expenditures in the development phase that have been capitalized are shown as development expenditures on the balance sheet and are transferred to intangible assets from the date the project reaches its intended use

20. Long-term unamortized expenses

The Group's long-term unamortized expenses are renovation costs and lease costs of fixed assets that have been expended but are to be borne by the current and future periods with an amortization period of more than one year (excluding one year), which are amortized equally over the benefit period. If a long-term unamortized expenses item does not benefit future accounting periods, the amortized value of the item that has not been amortized is fully transferred to the current profit and loss.

21. Goodwill

Goodwill is the difference between equity investment cost or cost of a business combination not under common control, and the share of fair value of the net identifiable assets of the investee or acquiree that should be enjoyed or acquired in the business combination at the date of acquisition or the date of purchase.

Goodwill relating to subsidiaries is shown separately on the consolidated financial statements. Goodwill relating to associates and joint ventures is included in the carrying value of long-term equity investments.

22. Impairment of non-financial long-term assets

The Group examines items such as long-term equity investments, fixed assets, construction in progress, and intangible assets with finite useful lives at each balance sheet date, and performs an impairment test when the following indications exist that an asset may be impaired. Goodwill and intangible assets with indefinite useful lives are tested for impairment at the end of each year, regardless of whether there are indications of impairment. If it is difficult to test the recoverable amount of a single asset, the test is based on the asset group or combination of the asset group to which the asset belongs.

If, after the impairment test, the carrying amount of the asset exceeds its recoverable amount, the difference is recognized as an impairment loss. Once the impairment loss is recognized, it is not reversed in subsequent accounting periods. The recoverable amount of an asset is the higher of either the fair value of the asset after deducting disposal costs, or the present value of the asset's expected future cash flow.

Indications of impairment are as follows:

- (1) The market price of the asset falls sharply in the current period, which is significantly higher than the expected decline due to the passage of time or normal use;
- (2) The economic, technological or legal environment in which an enterprise operates and the market in which its assets are located will undergo significant changes in the current period or in the near future, thus adversely affecting the enterprise;
- (3) Market interest rates or other market rates of return on investment have increased in the current period, which affects the enterprise's discount rate for calculating the present value of the asset's expected future cash flows, resulting in a significant reduction in the recoverable amount of the asset;
 - (4) There is evidence that the asset is obsolete or that the entity is damaged;
 - (5) Assets have been or will be idle, terminated or planned to be disposed of in advance;
- (6) Evidence reported internally by the enterprise shows that the economic performance of the asset has been or will be lower than expectation, for example, the net cash flow generated by the asset or the realized operating profit (or loss) is much lower than (or higher than) the expected amount;
 - (7) Other indications that an asset may have been impaired.

23. Employee benefits

The Group's employee compensation refers to all forms of remuneration or compensation given by the Group for services rendered or terminated by employees, including short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by the Group to the employee's spouse, children, dependents, wills of deceased employees and other beneficiaries are also considered as employee compensation.

(1) Short-term employee benefits, which is the employee benefits that the Group is required to pay in full within twelve months after the end of the annual reporting period in which the employee provides relevant services, except for compensation for the termination of the employment relationship with employees. The Group's short-term employee benefits specifically includes: employee salaries, bonuses, allowances and subsidies, employee benefits,

social insurance such as medical insurance, work injury insurance and maternity insurance, housing funds, labor union operating funds and employee education funds, short-term paid absences, short-term profit sharing plans, non-monetary benefits and other short-term employee benefits.

The Group recognizes the actual short-term employee benefits incurred as a liability in the accounting period in which the services are rendered by the employees, and charges it to current profit or loss or to the cost of the related asset according to the beneficiary of the services rendered by the employees. Post-employment benefits refer to the various forms of remuneration and benefits provided by the Group after the employees retire or terminate their labor relations with the Group in order to obtain the services provided by the employees, except for short-term compensation and termination benefits.

The Group's defined contribution plan refers to the basic pension insurance and unemployment insurance and enterprise annuity paid for employees in accordance with the relevant regulations of the local government. In the accounting period in which the employee provides services to the Group, the amount payable is calculated on the basis and proportion of the locally required contribution. The amount payable is recognized as a liability and charged to current profit or loss or to the cost of the related asset.

The Group attributes the benefit obligation arising from defined benefit plans to the period in which the employee provides the service according to a formula determined using the expected cumulative units of benefit method, and charges it to current profit or loss or the cost of the related asset. The deficit or surplus arising from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net liability or net asset of a defined benefit plan. If a defined benefit plan has a surplus, the Group measures the net assets of the defined benefit plan at the lower between the surplus of the defined benefit plan and the asset limit.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the annual reporting period in which the employee provides services, are discounted based on Treasury bonds or market yield of high-quality corporate bonds in active markets that match the maturity and currency of the defined benefit plan obligations on balance sheet date.

Service costs incurred on defined benefit plans and net interest on net liabilities or net assets of defined benefit plans are charged to current profit or loss or the cost of the related assets. Changes arising from the remeasurement of the net liability or net assets of defined benefit plans are recorded in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods.

On the settlement of a defined benefit plan, a settlement gain or loss is recognized on the difference between the present value of the defined benefit plan obligation and the settlement price determined on the settlement date.

(2) Termination benefits are compensation given to employees by the Group to terminate the employment relationship with employees before the expiration of their employment contracts, or to encourage employees to voluntarily accept redundancy. If employees do not terminate their employment contract with the Group, but no longer provide services to the Group in the future and do not bring economic benefits to the Group, the Group undertakes to provide financial compensation that is in essence a termination benefit. In the event of "internal retirement", the employees should be treated in accordance with termination benefits prior to their official retirement date, and with post-employment benefits after their official retirement date.

When the Group provides termination benefits to employees and cannot unilaterally withdraw the termination benefits provided due to a labor termination or a reduction proposal, the Group recognizes either the earlier restructuring costs, or expenses related to the payment of termination benefits. The Group recognizes employee compensation liabilities arising from termination benefits and recognizes it in current profit or loss.

For termination benefits that are not expected to be fully paid within twelve months after the end of the annual reporting period, and for severance plans where substantive severance work is implemented within one year but compensation is paid in more than one year, the Group selects the appropriate discount rate and measures the amount of severance benefits that should be recorded into the current profit and loss by the discounted amount.

(3) Other long-term employee benefits refer to all employee compensation other than short-term employee benefits, post-employment benefits, and termination benefits, including long-term paid absences, long-term disability benefits, and long-term profit-sharing plans, etc.

Other long-term employee benefits provided by the Group to its employees, which are eligible for the defined contribution plan, are accounted in accordance with the relevant provisions of the defined contribution plan. The Group provides other long-term employee benefits to employees; for those which meet the conditions of the defined benefit plan, the Group confirms and measures the net negative components of other long-term employee benefits in accordance with the relevant provisions of the defined benefit plan: service costs; net interests on net liabilities or net assets of other long-term employee benefits; changes arising from the remeasurement of other long-term employee benefits net liabilities or net assets. The total net amount is booked into the current profit and loss or the cost of related assets.

24. General risk preparation

The Group's company conducting entrusted lending business makes provision for general risk from net profit in accordance with the regulation of the Ministry of Finance's Measures for the Management of the Provision for Financial Enterprises(Caijin [2012] No. 20) to make up for potential losses on unidentified risky assets. The balance of general risk provision is not less than 1.50% of the closing balance of risky assets.

25. Bonds payable

The Group's bonds payable are measured at fair value on initial recognition and the related transaction costs are included in the initial recognition amount. The subsequent measurement is based on the amortized cost.

The difference between the price paid for bonds and the total face value of bonds is treated as a premium or discount on the bond and amortized over the life of the bond at the time of interest accrual using the effective interest rate method, and is treated in accordance with the principles for the treatment of borrowing costs.

26. Provisions

The Group recognizes a liability when operations related to contingencies such as external guarantees, commercial promissory note discounting, pending litigation or arbitration, product quality assurance meet the following conditions at the same time: the obligation is a present obligation of the Group; the performance of the obligation is likely to result in the outflow of economic benefits from the enterprise; the amount of the obligation can be reliably measured.

The provisions are initially measured in accordance with the best estimate of the expenditure required to fulfill relevant current obligations, and factors such as risks, uncertainties, and time value of money related to contingencies are considered

comprehensively. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The carrying value of the provisions is reviewed on each balance sheet date; if there is a change, the book value is adjusted to reflect the current best estimate.

27. Revenue recognition principle

The Group's operating revenue mainly includes revenue from the sale of goods, the provision of services and the transfer of the right to use assets, and the revenue recognition principles are as follows:

(1) Sale of goods

Revenue from the sale of commodities is recognized by the Group when the primary risks and rewards of ownership of the commodities have been transferred to the buyer, neither the right of continued management normally associated with ownership is retained nor effective control over the commodities sold is exercised, the amount of revenue can be measured reliably, the associated economic benefits are likely to flow into the enterprise, and the associated costs incurred or to be incurred can be measured reliably.

(2) Rendering of Services

The Group recognizes the labor service revenue when: the total revenue and total cost of labor service can be measured reliably; it is probable that the economic benefits associated with the labor service is very likely to flow into the Group; and the progress of completion of the labor service can be determined reliably. On balance sheet date, when the outcome of labor service delivery transactions can be estimated reliably, the related labor service revenue is recognized under the percentage of completion method which is determined as a measurement of work performed; when the result of a service delivery transaction cannot be reliably estimated and the incurred service costs are expected to be reimbursed, revenue from labor service is recognized at the amount of service costs incurred that can be reimbursed and the service costs already incurred are carried forward; if the result of the service delivery transaction cannot be estimated reliably and it is expected that all the service costs incurred will not be compensated, the service costs incurred will be charged to current profit and loss and no service revenue will be recognized.

(3) Income from the assignment of the right to use assets

When the economic benefits related to the transaction are likely to flow into the Group and the amount of income can be measured reliably, the realization of the income from the assignment of the right to use the assets is recognized.

The Group's income from the right to use the assigned assets is mainly from guarantee business, entrusted loan business and small loan business.

1) Income from guarantee business

Revenue from guarantee business includes guarantee fee income, comprehensive service fee income (assessment fees, etc.), recovery income, etc.

Revenue from guarantee operations is recognized when the following conditions are met at the same time:

- ① A guaranty contract is formed and the corresponding guaranty responsibility is assumed;
- ② The economic benefits associated with the guarantee contract can flow into the enterprise;

- ③ Income related to the contract of guarantee can be measured reliably.
- 2) Income from entrusted loan business and small loan business

Income from entrusted loan business and income from small loan business include interest income, comprehensive service fee income, etc. Interest income is recognized over the life of the customer's business at the principal amount of the loan and at the applicable interest rate on an accrual basis principle. Comprehensive service fee income is recognized when the service is rendered and the amount received can be measured reliably.

28. Government grants

Government grants represent the Company's acquisition of monetary and non-monetary assets from the Government at no cost. Government grants are recognized when the Group is able to meet the conditions attached and receive them.

If the government subsidy is a monetary asset, it shall be measured according to the amount actually received. If the subsidy is allocated according to fixed quota standard, or if there is conclusive evidence at the end of the period that the relevant conditions stipulated by the financial support policy can be met and the financial support fund is expected to be received, it shall be measured according to the receivable amount. If the government subsidy is a non-monetary asset, it shall be measured in accordance with fair value; if fair value cannot be obtained reliably, it shall be measured according to the nominal amount (RMB 1)

The Group's government grants are divided into asset-related government grants and revenue-related government grants. Of which, asset-related government grants are those acquired by the Group and used to acquire and construct, or otherwise form long-term assets; revenue-related government grants, which are government grants other than those related to assets. If the government documents do not specify the recipients of the subsidies, the Group makes judgments based on the above principles of differentiation, and if it is difficult to differentiate, it is classified as a whole as revenue-related government grants.

Government grants related to assets are recognized as deferred income.

Government grants related to assets recognized as deferred income are allocated evenly through profit or loss over the useful life of the related assets.

If the related asset is sold, transferred, scrapped or destroyed before the end of its useful life, the undistributed balance of the related deferred income is transferred to the profit or loss in the period in which the asset is disposed of.

Government grants related to revenue used to compensate for related costs or losses in future periods are recognized as deferred income and charged to current profit or loss in the period in which the related costs or losses are recognized. Government grants related to revenue used to compensate for related costs or losses already incurred are charged directly to current profit or loss. Government grants related to routine activities are recognized in other income on the basis of the substance of the economic operations. Government grants not related to routine activities are included in non-operating income and expenditure.

29. Deferred income tax assets and deferred income tax liabilities

The Group's deferred tax assets and deferred tax liabilities are recognized based on the difference (temporary difference) between the tax bases of assets and liabilities and their carrying values. Deferred tax assets are recognized as temporary differences for deductible losses and tax credits that can be offset against taxable income in future years under the tax laws. On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

The Group recognizes deferred income tax assets generated by the deductible temporary difference to the extent that it is likely to obtain the taxable income amount used to offset the deductible temporary difference. For the recognized deferred income tax assets, when it is expected that it is unlikely to obtain enough taxable income amount to offset the deferred income tax assets in the future period, the carrying value of the deferred income tax assets shall be written down. Write-downs are reversed when it is probable that sufficient taxable income will be available.

30. Lease

The Group divides leases into finance leases and operating leases on the lease commencement date.

A finance lease is a lease that substantially transfers all risks and rewards associated with the ownership of an asset. If the Group is the lessee, the lower of the fair value of the leased asset and the present value of the minimum lease payments on the commencement date of the lease is taken as the recorded value of the leased asset, the minimum lease payments are taken as the recorded value of long-term payables and the difference is treated as an unrecognized finance charge at the beginning of the lease term.

An operating lease is a lease other than a finance lease. The rents of the Group as the lessee are recorded into the cost of relevant assets or current profits and losses in each period of the lease term according to the straight-line method, while the rents of the Group as the lessor are recognized as income in each period of the lease term according to the straight-line method.

31. Fair value measurement

(1) Fair value initial measurement

For the assets and liabilities measured by fair value, the Group takes into account the characteristics of the assets or liabilities and measures the fair value by adopting the price that a market participant would have to pay to sell an asset to receive or transfer a liability in an orderly transaction on the measurement day. When relevant assets or liabilities are measured at fair value, the transactions of market participants selling assets or transferring liabilities on the measurement date are orderly transactions under the current market conditions; orderly transactions in which an asset is sold or a liability is transferred take place in the principal market for the asset or liability concerned. If no principal market exists, the transaction is assumed to take place in the most advantageous market for the underlying asset or liability; the assumptions that market participants would use to maximize their economic benefits in pricing the asset or liability are adopted. When measuring non-financial assets at fair value, the ability of market participants to put the asset to its best use to generate economic benefits, or the ability to sell the asset to other market participants who can put it to best use to generate economic benefits is considered.

(2) Valuation technique

In measuring the underlying assets or liabilities at fair value, the Group uses valuation techniques that are applicable in the current circumstances and are supported by sufficient available data and other information. The main valuation techniques used include the market approach, the income approach and the cost approach. When applying valuation techniques, the relative observable input values are preferred; unobservable input values shall be used only if the relative observable input values are not available or not feasible to obtain.

(3) Fair value hierarchy

The Group determines the hierarchy of the fair value measurement results based on the lowest level at which the inputs that are significant to the fair value measurement as a whole fall: The level 1 input is the unadjusted quoted price in an active market for the same asset or liability that was available on the measurement date. An active market is one in which the underlying asset or liability is traded in sufficient volume and frequency to provide pricing information on an ongoing basis. Level 2 inputs are inputs that are directly or indirectly observable for the underlying asset or liability in addition to the level 1 inputs. Level 3 inputs are unobservable inputs for the underlying asset or liability.

V. Statement of accounting policies, changes in accounting estimates and corrections of errors

1. Change and impact of accounting policies

Changes in accounting policies that the Group is not required to disclose during the year.

2. Changes in accounting estimates and their effects

The Group had no change in accounting estimates for the reporting period.

- 3. Correction of significant prior period errors and impact
- (1) Wuhan Changjiang Asset Operation Management Co., Ltd. consolidation effect

Changjiang Asset Operation Management Co., Ltd. (hereinafter referred to as "Chang Asset Company") is a secondary wholly-owned subsidiary of the Company, which will not be included in the scope of consolidation of Wuhan Economic Development Investment Group until 2020 in accordance with the "Approval of Wuhan State-owned Assets Supervision and Administration Commission on the Exclusion of Changjiang Asset Operation Management Co., Ltd.. In 2020, SASAC issued a document "Notice on the rectification and implementation of the issues reflected in the audit report of the 2019 annual financial accounts of the enterprises funded by the city" W G Z CaiJian [2020] No. 32: "The Company owns Wuhan Changjiang Asset Operation Management Co, Ltd. 100% equity interest, which was not included in the scope of consolidation and did not comply with the provisions of enterprise accounting standards, and suggested the Company to include the enterprise in the scope of consolidation in the following year", according to the requirements of the document, Chang Asset Company was included in the scope of consolidation of the Group and retrospectively adjusted to the consolidated statements for 2019 this year. After the adjustment, the amount of retained earnings in the consolidated statements of income was reduced by RMB 27,111,622.25 and the amount of shareholders' equity attributable to the parent company was reduced by RMB 27,111,622.25.

- (2) Hubei Financial Leasing Co., Ltd., a secondary company of the Group, has made bad debt provision for long-term receivables from related parties within the scope of the Group's consolidation at the single-account level in 2020 and prior to 2020, but the bad debt provision for related parties has not been reversed in the Group's consolidated statements of income in 2019 and prior to 2019, and the consolidated statements of income in 2019 should be The 2019 consolidated statements should be retroactively adjusted. The adjustment affects the adjustment of unappropriated earnings in the consolidated statement of income by RMB 15,000,000.00.
- (3) Wuhan Construction Investment Co., Ltd., a secondary company of the Group, cleaned up the other payables formed by long-term pending accounts during the year, and after cleaning up, three other payables, amounting to RMB 11,187,433.55, which were formed by the entrusted agency relationship in previous years, were treated as prior period error correction this time, and in view of the amount material and is a significant prior period error,

the comparable statements are retroactively adjusted to adjust the prior period comparative data. The increase in retained earnings at the beginning of 2019 was RMB 11,187,433.55 and the decrease in other payables at the beginning of 2019 was RMB 11,187,433.55.

(4) Based on the document of Wuhan Municipal Audit Bureau (WSJZEJ [2020] No. 8), the Group's subsidiary Wuhan Yuxi Real Estate Development Co., Ltd. recognized in advance its property fees received in advance for the year 2020 in the year 2019 in the amount of RMB 7,518,199.27 and over accrued surplus reserves in the amount of RMB 751, 819.83.

In addition, Wuhan Yuxi Real Estate Development Co., Ltd. has 100% external holding in Wuhan Yuxi Commercial Operation Management Co., Ltd. and recognized investment income of RMB -1, 359,392.32.

1) Wuhan Yuxi Real Estate Development Co., Ltd. the specific adjustments are as follows:

Balance Sheet/Income Statement Items	2019-12-31/FY 2019	Error Correction	Amount after adjustment
Prepayments	264,347,421.14	7,518,199.27	271,865,620.41
Operating income	1,568,086,727.71	7,518,199.27	1,560,568,528.44
Long-term equity investments	8,640,607.68	1,359,392.32	10,000,000.00
Investment income	-1,359,392.32	1,359,392.32	
Surplus reserves - Statutory surplus reserve	23,413,505.26	615,880.69	22,797,624.57
Retained earnings	210,721,547.29	5,542,926.26	205,178,621.03

2) The Group's subsidiary, Wuhan Ganjing Real Estate Development Co., Ltd. recognized revenue in advance by RMB 145,312.00, under-recorded property management fees of RMB 7,430,089.90 for the vacant rooms and vacant parking spaces in Zone A and Zone C of Top Siew International City and Top Siew International Mansion, and over-recorded surplus reserves by RMB 757,540.19. Wuhan Ganjing Real Estate Development Co., Ltd. was adjusted as follows:

Balance Sheet/Income Statement Items	2019-12-31/FY 2019	Error Correction	Amount after adjustment
Inventory - development costs	1,660,316,887.66	7,430,089.90	1,652,886,797.76
Operating income	375,769,907.35	145,312.00	375,624,595.35
Operating cost	294,238,073.93	7,430,089.90	301,668,163.83
Surplus reserves - Statutory surplus reserve	23,707,678.08	757,540.19	22,950,137.89
Retained earnings	113,369,102.90	6,817,861.71	106,551,241.19

(5) Before and after adjustments to the opening balance sheet of the consolidated balance sheet for 2020

Item	Opening balance (before adjustment)	Adjustment	Opening balance (after adjustment)
Current assets:			
Monetary funds	11,751,142,459.70	9,827,627.88	11,760,970,087.58
Accounts receivable	930,164,602.77	45,650,198.00	975,814,800.77
Other receivables	13,182,762,664.72	-11,637,619.45	13,171,125,045.27
Inventory	5,516,331,953.20	-7,430,089.90	5,508,901,863.30
Other current assets	33,523,618,999.96	148,000,000.00	33,671,618,999.96

ltem	Opening balance (before adjustment)	Adjustment	Opening balance (after adjustment)	
Total current assets	67,528,804,418.10	184,410,116.53	67,713,214,534.63	
Non-current assets:				
Available-for-sale financial assets	16,188,983,053.68	14,250,000.00	16,203,233,053.68	
Long-term receivables	25,465,448,774.54	15,000,000.00	25,480,448,774.54	
Long-term equity investments	7,759,370,801.46	-188,717,893.25	7,570,652,908.21	
Investment property	1,496,516,367.83	12,911,142.89	1,509,427,510.72	
Fixed assets	2,984,601,202.51	5,601,793.96	2,990,202,996.47	
Long-term unamortized expenses	43,155,685.52	4,555,813.93	47,711,499.45	
Total non-current assets	63,586,480,055.63	-136,399,142.47	63,450,080,913.16	
Total assets	131,115,284,473.73	48,010,974.06	131,163,295,447.79	
Current liabilities:				
Prepayments	1,310,885,309.80	7,663,511.27	1,318,548,821.07	
Employee benefits payable	361,207,987.71	4,483,974.73	365,691,962.44	
Including: Salary payable	308,988,699.35	4,263,846.56	313,252,545.91	
Taxes payable	1,330,442,565.93 1,910,653.6		1,332,353,219.53	
Including: Tax payables	1,320,211,021.01	1,968,789.81	1,322,179,810.82	
Other payables	5,919,551,167.26	49,825,431.85	5,969,376,599.11	
Total current liabilities	55,063,471,489.27	63,883,571.45	55,127,355,060.72	
Non-current liabilities:				
Long-term payables	3,413,427,157.15	145,192.48	3,413,572,349.63	
Total non-current liabilities	37,159,916,152.96	145,192.48	37,160,061,345.44	
Total liabilities	92,223,387,642.23	64,028,763.93	92,287,416,406.16	
Shareholders' equity (or stockholders' equity):				
Capital reserve				
Retained earnings	3,402,637,624.18	-12,146,887.88	3,390,490,736.30	
Total shareholders' equity (or shareholders' equity) attributable to the parent company	20,134,151,341.61	-12,146,887.88	20,122,004,453.73	
*Non-controlling interest	18,757,745,489.89	-3,870,901.99	18,753,874,587.90	
Total shareholders' equity (or stockholders' equity)	38,891,896,831.50	38,891,896,831.50 -16,017,789.87 38		
Total liabilities and shareholders' equity (or stockholders' equity)	131,115,284,473.73	48,010,974.06	131,163,295,447.79	

(6) Comparative data for the consolidated income statement for fiscal year 2020 (fiscal year 2019) before and after adjustments

Prior year corresponding Item period amount (before adjustment)		Adjustment	Prior year corresponding period amount (after adjustment)	
I. Total operating income	48,123,541,363.76	5,060,051.80	48,128,601,415.56	

Item	Prior year corresponding period amount (before adjustment)	Adjustment	Prior year corresponding period amount (after adjustment)	
Including: Operating income	48,123,541,363.76	5,060,051.80	48,128,601,415.56	
II. Total operating costs	46,625,637,045.36	23,918,849.23	46,649,555,894.59	
Including: Operating costs	40,351,231,527.09	10,199,872.67	40,361,431,399.76	
Business taxes and surcharges	1,148,254,138.44	174,744.10	1,148,428,882.54	
Administration costs	1,392,140,608.78	14,132,339.47	1,406,272,948.25	
Financial costs	3,303,363,080.79	-588,107.01	3,302,774,973.78	
Add: Other income	84,965,884.03	7,005.00	84,972,889.03	
Investment income (loss marked with "-")	1,027,961,961.09	4,107,784.20	1,032,069,745.29	
Impairment loss of assets (loss marked with "-")	-502,740,947.05	-2,100,000.00	-504,840,947.05	
III. Operating profit	2,322,070,567.14	-16,844,008.23	2,305,226,558.91	
IV. Total profit	2,381,958,931.43	-16,844,008.23	2,365,114,923.20	
Less: Income tax expense	623,905,848.30	1,874,197.97	625,780,046.27	
V. Net profits	1,758,053,083.13	-18,718,206.20	1,739,334,876.93	
Net profit attributable to shareholders of the parent company	797,726,011.31	-7,935,612.87	789,790,398.44	
Profit or loss from continued operations	1,758,053,083.13	-18,718,206.20	1,739,334,876.93	
VI. Total comprehensive income	1,836,093,024.29	-18,718,206.20	1,817,374,818.09	
Total comprehensive income attributable to shareholders of the parent company	875,765,952.47	-7,935,612.87	867,830,339.60	

4. he names and corrected amounts of equity-type items affected by the above events in the consolidated financial statements are as follows:

Item	Prior year closing balance	Current year opening balance
I. Total shareholders' equity	38,891,896,831.50	38,875,879,041.63
II. Total equity attributable to shareholders of the parent company	20,134,151,341.61	20,122,004,453.73
Including: Retained earnings	3,402,637,624.18	3,390,490,736.30
III. Non-controlling interests	18,757,745,489.89	18,753,874,587.90

VI. Taxes

1. Main tax category and tax rates

Tax category	Tax basis	Tax rates		
Corporate income tax	Taxable income	25%, 15%		
VAT	The output tax is calculated on the basis of the income from sales of goods and taxable services calculated in accordance with the provisions of the tax law, and the difference is the amount of VAT payable after deducting the input tax deductions allowed for the current period.	13%, 9%, 6%, percentage charges 3%, 5%		
City maintenance and construction tax	Turnover tax payable	7%		
Education surtax	Turnover tax payable	3%		

Tax category	Tax basis	Tax rates
Local education supplementary tax	Turnover tax payable	1.5%, 2%

2. Tax incentives and approvals

- (1) Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd. a secondary company of the Group, in accordance with the Announcement of the General Administration of Customs of the Ministry of Finance and Taxation on Policies Relating to the Deepening of VAT Reform (Announcement No. 39 of 2019 of the General Administration of Customs of the Ministry of Finance and Taxation), which stipulates. "VII. From April 1st, 2019 to December 31st, 2021, taxpayers in the production and living service industries are allowed to deduct their taxable amount by adding 10% to the deductible input tax for the current period." Effective from April 1st, 2019.
- (2) According to the Announcement No. 13 and 24 of 2020 of the General Administration of Taxation of the Ministry of Finance, from March 1 to December 31st, 2020, for small-scale VAT payers in Hubei Province, the income from taxable sales to which the 3% levy rate applies shall be exempted from VAT; and the prepayment of VAT items to which the 3% prepayment rate applies shall be suspended.
- (3) In accordance with the relevant provisions of the "Management Measures for the Recognition of High and New Technology Enterprises" (GKFH [2008] No. 172) and the "Management Guidelines for the Recognition of High and New Technology Enterprises" (GKFH [2008] No. 362), our subsidiary Changlian Pharmaceutical was awarded the "High and New Technology Enterprise Certificate" jointly issued by the Department of Science and Technology of Hubei Province, the Department of Finance of Hubei Province, the State Taxation Bureau of Hubei Province and the Local Taxation Bureau of Hubei Province. The validity period is three years. According to the relevant regulations, Changlian Pharma is subject to corporate income tax at a rate of 15% for three years starting from November 28th, 2019.
- (4) The subsidiary Wuhan Foods StockPile Co., Ltd. has been exempted from VAT on the distribution of certain fresh meat and egg products since October 1st, 2012 in accordance with the Notice of the State Administration of Taxation on the Policy of Exemption from VAT on the Distribution of Certain Fresh Meat and Egg Products, Caishui [2012] No. 75.
- (5) Subsidiary Wuhan Meatpacking Food Co., Ltd. was exempted from property tax levied from rent and reduced by 91.5% from property tax levied from price according to the Notice on Continued Implementation of Preferential Policies on Property Tax and Urban Land Use Tax for Agricultural Products Wholesale Markets Farmers' Markets, Caishui [2016] No. 1; according to the Notice on Continued Implementation of Preferential Policies on Property Tax and Urban Land Use Tax for Agricultural Products Wholesale Markets Farmers' Markets, Caishui [2016] No. 1 and the Notice of the State Administration of Taxation of the Ministry of Finance on the Continued Implementation of Preferential Policies on Urban Land Use Tax for Land Used for Bulk Commodity Storage Facilities for Logistics Enterprises Caishui [2017] No. 33, the land belonging to the agricultural market of Meatpacking is fully exempted from land use tax, and the land of logistics industry is exempted from 50%.

VII. Business Combinations and Consolidated Financial Statements

1. Basic information of subsidiaries included in the scope of consolidated statements

No.	Company name	Le vel	Busine ss type	Main place of business	Registration place	Business nature
1	Wuhan Development Investment Co., Ltd.	II	1	Wuhan	Wuhan	Investment and development
2	Wuhan Communications Construction Investment Co., Ltd.	II	1	Wuhan	Wuhan	Construction and management of transportation infrastructure projects

No.	Company name	Le vel	Busine ss type	Main place of business	Registration place	Business nature
3	Wuhan State-owned Industry Investment Co., Ltd.	II	1	Wuhan	Wuhan	Investment and development
4	Wuhan Construction Investment Co., Ltd.	II	1	Wuhan	Wuhan	Local construction investment and development
5	Wuhan Yangtze River Economy United Development Co., Ltd.	Ш	1	Wuhan	Wuhan	Investment and development
6	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	II	1	Wuhan	Wuhan	Food logistics industry Investment and development
7	Wuhan Yangluo Development Co., Ltd.	II	1	Wuhan	Wuhan	Investment in development of zone construction
8	Wuhan Financial Assets Exchange Co., Ltd.	II	1	Wuhan	Wuhan	Financial assets trading and consulting
9	Wuhan Changjiang Financial Service Co., Ltd.	II	1	Wuhan	Wuhan	Financial information and data processing service; Financial software technology development, etc.
10	Wuhan Rongwei Escort Security Service Co., Ltd.	II	1	Wuhan	Wuhan	Provision of escort and vault guarding services to financial institutions for cash, securities, gold, silver, jewelry and other valuables
11	Hubei Financial Leasing Co., Ltd.	II	2	Wuhan	Wuhan	Capital leasing business; transfer and assignment of financial leasing assets; interbank lending; borrowing from financial institutions; overseas borrowing; sale of leased property and disposal business, etc.
12	Guotong Trust Co., Ltd.	II	2	Wuhan	Wuhan	Money trusts; trusts for movable property; trusts for immovable property; trusts for marketable securities; trusts for other property or property rights
13	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	II	1	Wuhan	Wuhan	Supply chain management
14	Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	II	1	Wuhan	Wuhan	Wholesale and retail sales of petroleum products, technology development and transfer.
15	Wuhan International Exchange Service Center	II	1	Wuhan	Wuhan	Air passenger and freight sales agency business; educational, cultural and economic consulting services
16	Wuhan Yangluo Port Service Co., Ltd.	II	1	Wuhan	Wuhan	Cargo handling, loading and unloading services, information and consulting services for cargo distribution, warehousing services
17	Wuhan Changjiang Asset Operation Management Co., Ltd.	II	1	Wuhan	Wuhan	Various types of asset acquisition, asset disposal and related industrial investment; enterprise and asset trust management, etc.
18	Wuhan Trade State-owned Holding Group Co., Ltd.	II	1	Wuhan	Wuhan	Management and investment of state-owned assets

(Continued)

No.	Company name	Paid-in capital	Sharehol ding ratio (%)	Voting right (%)	Investment amount	Gaining method
1	Wuhan Development Investment Co., Ltd.	3,000,000,000.00	100.00	100.00	3,790,718,826.76	4
2	Wuhan Communications Construction Investment Co., Ltd.	353,000,000.00	100.00	100.00	408,351,937.63	4
3	Wuhan State-owned Industry Investment Co., Ltd.	362,872,724.87	100.00	100.00	317,044,468.03	4
4	Wuhan Construction Investment Company	220,000,000.00	100.00	100.00	240,821,965.54	4
5	Wuhan Yangtze River Economy United Development Co., Ltd.	408,858,118.00	93.11	93.11	442,674,255.45	4
6	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	331,000,000.00	100.00	100.00	331,000,000.00	1

No.	Company name	Paid-in capital	Sharehol ding ratio (%)	Voting right (%)	Investment amount	Gaining method
7	Wuhan Yangluo Development Co., Ltd.	465,000,000.00	100.00	100.00	463,426,881.58	4
8	Wuhan Financial Assets Exchange Co., Ltd.	120,000,000.00	75.00	75.00	60,000,000.00	1
9	Wuhan Changjiang Financial Service Co., Ltd.	270,000,000.00	80.00	80.00	220,714,836.97	1
10	Wuhan Rongwei Escort Security Service Co., Ltd.	100,000,000.00	100.00	100.00	110,643,110.29	4
11	Hubei Financial Leasing Co., Ltd.	3,000,000,000.00	49.00	49.00	1,470,000,000.00	1
12	Guotong Trust Co., Ltd.	3,200,000,000.00	67.51	67.51	5,424,563,105.61	3
13	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	1,000,000,000.00	100.00	100.00	1,000,000,000.00	1
14	Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	16,500,000.00	33.00	100.00	16,500,000.00	1
15	Wuhan International Exchange Service Center	6,000,000.00	100.00	100.00	2,126,833.93	4
16	Wuhan Yangluo Port Service Co., Ltd.	70,000,000.00	60.00	60.00	60,000,000.00	2
17	Wuhan Changjiang Asset Operation Management Co., Ltd.	144,200,000.00	100.00	100.00	202,917,893.25	1
18	Wuhan Trade State-owned Holding Group Co., Ltd.	670,000,000.00	51.00	51.00	615,223,216.33	4

Note: Business type: 1. domestic non-financial subsidiaries; 2. domestic financial subsidiaries; 3. oversea subsidiaries; 4. public institutions; 5. infrastructure units.

Gaining method: 1. established by investment; 2. a business combination under common control; 3. a business combination not under the same control; 4. others.

2. Reasons for owning less than half of the voting right of an investee but being able to exercise control over the investee

Company name	Sharehol ding ratio (%)	Voting right (%)	Registered capital	Investment amount	Level	Reason for incorporatio n
Hubei Financial Leasing Co., Ltd.	49	49	3,000,000,000.00	1,470,000,000.00	П	With actual control

In June 2015, the Company jointly established Hubei Financial Leasing Co., Ltd. with Wuhan Rural Commercial Bank Co., Ltd. and Jointown Pharmaceutical Group Co., Ltd., which was approved by the China Banking Regulatory Commission. According to the Investment Agreement, the Company is the largest shareholder and controls the business decisions of Hubei Financial Leasing Co., Ltd.

- 3. Changes in the scope of in current year's consolidation
- (1) Details of new companies included in the scope of consolidation in current year

Unit: RMB

Company name	Shareholding ratio (%)	Net assets at year-end	Net profit for the current year	Note
Wuhan Yangtze Asset Management Co., Ltd.	100.00	179,648,941.82	3,552,045.82	See V. 3.

4. Significant non-wholly owned subsidiaries

(1) Non-controlling interests

No.	Subsidiary names	Non-controlling interests shareholding ratio	Profit or loss attributable to non-controlling interests for the year	Dividends paid to non-controlling interests in current year	Accumulated non-controlling interests at year-end
1	Hubei Financial Leasing Co., Ltd.	51.00%	348,180,848.82		2,422,957,314.32
2	Guotong Trust Co., Ltd.	32.49%	146,911,560.98		2,054,974,934.89

(2) Key financial information

lhana	Amount in current year			
ltem	Hubei Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.		
Current assets	4,990,291,049.81	2,114,132,850.41		
Non-current assets	31,175,192,057.13	8,007,377,760.21		
Total assets	36,165,483,106.94	10,121,510,610.62		
Current liabilities	29,444,232,820.99	3,583,291,429.71		
Non-current liabilities	1,970,353,591.22	36,293,068.80		
Total liabilities	31,414,586,412.21	3,619,584,498.51		
Operating revenue	2,394,401,563.68	1,240,214,709.70		
Net profit	682,707,546.71	452,174,702.91		
Total comprehensive income	682,707,546.71	446,233,228.66		
Cash flows from operating activities	-1,777,561,082.33	551,646,568.58		

(Continued)

	Amount for previous year			
Item	Hubei Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.		
Current assets	6,584,366,667.41	2,073,198,907.61		
Non-current assets	25,599,990,105.14	6,078,952,620.08		
Total assets	32,184,356,772.55	8,152,151,527.69		
Current liabilities	27,412,083,975.20	2,018,287,484.99		
Non-current liabilities	704,083,649.33	78,171,159.25		
Total liabilities	28,116,167,624.53	2,096,458,644.24		
Operating revenue	2,333,803,585.93	1,002,567,003.72		
Net profit	555,279,561.15	500,458,360.05		
Total comprehensive income	555,279,561.15	504,612,464.33		
Cash flows from operating activities	1,511,336,097.84	231,414,956.11		

5. Changes in share of ownership interests in subsidiaries

Without loss of control

The Company's shareholding ratio in Wuhan Yangtze River Economic Joint Development Co., Ltd. decreased from 96.28% to 93.11% due to the fact that the non-controlling interests increased the capital by RMB 13,514,099.00 during the period. The non-controlling interests increased their capital and diluted the shareholding of Wuhan Financial Holdings (Group) Co., Ltd., and the shareholding ratio of Wuhan Financial Holdings (Group) Co., Ltd. changed to 93.11%.

VIII. Notes on significant items in the consolidated financial statements

In the financial statement data disclosed below, "year-end" means December 31st, 2020, "beginning of the year" means December 31st, 2019, "current year" means January 1st to December 31st, 2020 and "prior year" means January 1st to December 31st 2019, the currency unit shall be in Renminbi unless otherwise stated.

1. Cash and cash equivalents

(1) Balance of cash and cash equivalents

ltem	Closing balance	Opening balance
Cash on hand	2,677,975.16	7,345,862.75
Bank deposit	9,714,500,743.81	11,390,679,617.02
Other cash and cash equivalents	923,078,048.17	362,944,607.81
Total	10,640,256,767.14	11,760,970,087.58
Including: Total funds held outside the country		

(2) Details of restricted cash and cash equivalents

Item	Closing balance	Opening balance
Bank acceptance deposit	72,431,721.44	76,484,849.77
Letters of credit deposit	12,015,950.72	3,200,000.00
Performance bond	199,766,859.58	243,085,672.97
Time or call deposits for security purposes		30,019,127.98
Deposit of central bank legal reserve	30,014,433.33	
Others	32,998,966.21	15,197.17
Total	347,227,931.28	352,804,847.89

Note: Other Item is frozen bank deposit.

2. Financial assets at fair value through profit or loss

Item	Closing fair value	Opening fair value
Trading financial assets	1,068,063,990.32	792,430,481.51
Including: Investments in debt instruments	819,642,000.00	473,298,474.34
Investments in equity instruments	246,615,438.32	314,980,294.17

ltem	Closing fair value	Opening fair value
Others	1,806,552.00	4,151,713.00
Financial assets designated as at fair value through profit or loss	6,619,312.00	3,653,136.00
Including: Investments in debt instruments		
Investments in equity instruments		987,000.00
Others	6,619,312.00	2,666,136.00
Total	1,074,683,302.32	796,083,617.51

3. Notes receivable

(1) Classification of notes receivable

Town of water	Closing balance				
Type of note	Book balance	Provision for bad debts	Book value		
Bank acceptance	125,542,786.76		125,542,786.76		
Trade acceptance	60,000.00		60,000.00		
Total	125,602,786.76		125,602,786.76		

(Continued)

Town of water	Opening balance				
Type of note	Book balance	Provision for bad debts	Book value		
Bank acceptance	404,642,433.00		404,642,433.00		
Trade acceptance					
Total	404,642,433.00		404,642,433.00		

(2) Notes receivable endorsed or discounted at year-end and not yet due at the balance sheet date

Туре	Amount derecognized at year-end	Amount not derecognized at year-end
Bank acceptance	41,336,128.50	
Trade acceptance		
Total	41,336,128.50	

4. Accounts receivable

(1) Accounts receivable are presented by category as follows

	Closing balance					
Туре	Book balance		Provision for bad debts			
	Amount Proporti on (%)		Amount	Proportion (%)		
Accounts receivable with a single significant amount and a single provision for bad debts	237,426,193.61	13.89	237,426,193.61	100.00		
Accounts receivable with provision for bad debts based on a portfolio of	1,340,427,028.96	78.39	88,699,324.47	6.62		

	Closing balance					
Туре	Book balance		Provision for bad debts			
	Amount	Proporti on (%)	Amount	Proportion (%)		
credit risk characteristics						
Accounts receivable for which the individual amounts are not material but for which a single provision for bad debts has been made	132,041,778.01	7.72	28,140,747.71	21.31		
Total	1,709,895,000.58		354,266,265.79			

	Opening balance					
Туре	Book balance		Provision for bad	Provision for bad debts		
	Amount Proportion (%)		Amount	Proportion (%)		
Accounts receivable with a single significant amount and a single provision for bad debts	237,426,193.61	19.17	148,568,169.24	62.57		
Accounts receivable with provision for bad debts based on a portfolio of credit risk characteristics	887,400,774.91	71.67	86,760,864.55	9.78		
Accounts receivable for which the individual amounts are not material but for which a single provision for bad debts has been made	113,469,691.45	9.16	27,152,825.41	23.93		
Total	1,238,296,659.97		262,481,859.20			

(2) Accounts receivable with significant individual amounts and a single bad debt provision at year-end

Name of debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason for provision
Jizhong Energy International Logistics Group Co., Ltd.	237,426,193.61	237,426,193.61	Over 5 years	100.00	Low likelihood of recovery
Total	237,426,193.61	237,426,193.61		100.00	

- (3) Accounts receivable with provision for bad debts based on a portfolio of credit risk characteristics
- 1) Accounts receivable for which provision for bad debts is made using the aging analysis method

	Closing balance				
Aging structure	Book balance				
	Amount Proportion (%)		Provision for bad debts		
Within 1 year (Including 1 year)	865,563,917.72	86.85	2,181,083.83		
1—2 years	62,533,866.40	6.27	6,253,386.64		
2—3 years	659,091.30	0.07	65,909.13		
3—4 years	26,000,474.07	2.61	10,451,399.92		
4—5 years					

	Closing balance			
Aging structure	Book balance			
	Amount	Proportion (%)	Provision for bad debts	
Over 5 years	41,883,206.17 4.20		41,883,206.17	
Total	996,640,555.66		60,834,985.69	

	Opening balance				
Aging structure	Book balance	Dunyisian for had dahta			
	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (Including 1 year)	400,627,878.16	64.43	1,575,274.32		
1—2 years	112,485,017.77	18.09	5,295,350.24		
2—3 years	32,164,323.48	5.17	9,647,665.56		
3—4 years	31,473,014.08	5.06	12,634,893.40		
4-5 years					
Over 5 years	45,070,743.17 7.25		45,070,743.17		
Total	621,820,976.66		74,223,926.69		

2) Accounts receivable for which provision for bad debts is made using other portfolio methods

Double in come	Closing balance				
Portfolio name	Book balance	Proportion (%)	Provision for bad debts		
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners	263,763,201.30	10.56	27,864,338.78		
Portfolio 3 inter-affiliate receivables and employee reserve funds	80,023,272.00				
Total	343,786,473.30		27,864,338.78		

(Continued)

Postfelia seus	Opening balance				
Portfolio name	Book balance	Proportion (%)	Provision for bad debts		
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners	136,662,338.25	9.17	12,536,937.86		
Portfolio 3 inter-affiliate receivables and employee reserve funds	128,917,460.00				
Total	265,579,798.25	1	12,536,937.86		

(4) Accounts receivable for which the individual amounts are not material but for which a single provision for bad debts has been made at year-end

Name of debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason for provision
Wuhan Jiangbei Hangxin Technology Co., Ltd.	20,243,061.41	6,072,918.42	Over 5 years	30.00	Risk classification identified as secondary

Name of debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason for provision
Hubei Wuhan Xinxiuli Slimming Beauty Co., Ltd.	19,447,950.66	583,438.52	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Jingshi Design & Engineering Co., Ltd.	15,202,241.52	456,067.24	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Hubei Chenkai Trading Co., Ltd.	13,327,405.36	3,998,221.61	Over 5 years	30.00	Risk classification identified as secondary
Wuhan Zhongli Jieneng Industrial Co., Ltd.	12,531,931.00	375,957.94	Within 1 year, 1-2 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Julian Glass Co., Ltd.	11,123,540.00	3,337,062.00	4-5 years	30.00	Risk classification identified as secondary
Liu Weilin	10,046,640.00	3,001,566.00	3-4 years	30.00	Risk classification identified as secondary
RHEINPHARMACONSULTGMB H	7,526,008.27	7,526,008.27	Over 5 years	100.00	Not expected to be recovered
Wuhan Junyue Hongyuan Industrial Co., Ltd.	7,190,429.16	215,562.87	1-2 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Hyperdragon Prince Wine Co., Ltd.	3,347,800.66	100,276.83	Within 1 year, 1-2 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Donghu Prince Food Co., Ltd.	2,662,024.98	79,710.75	Within 1 year, 1-2 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Jianzi Gourmet Co., Ltd.	2,232,326.92	66,819.81	Within 1 year, 1-2 years	3.00	Provision for bad debts at 3% for categories of concern
Wang Yi	1,674,801.84	1,004,701.10	4-5 years	60.00	Provision for bad debts under the category of doubtful
Dalian Hengjia Geotechnical Engineering Construction Co., Ltd.	1,500,000.00	450,000.00	3-4 years	30.00	Risk classification identified as secondary
Wuhan Shengtai Real Estate Development Co., Ltd.	1,064,204.16	31,926.12	1-2 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Jintong Prince Gourmet Co., Ltd.	939,143.52	28,024.31	Within 1 year, 1-2 years	3.00	Provision for bad debts at 3% for categories of concern
Shandong Tianyuan Pharmaceutical Co., Ltd.	518,508.60	518,508.60	Over 5 years	100.00	Not expected to be recovered
Citic Architectural Design and Research Institute	468,166.00	57,317.50	2-4 years	12.24	On account for more than one year, uncollected
Wuhan Fengpu Technology Co., Ltd.	384,488.75	97,248.88	2-3 years	25.29	On account for more than one year, uncollected
Shandong Jiurui Pharmaceutical Co., Ltd.	109,163.70	109,163.70	Over 5 years	100.00	Not expected to be recovered
Wuhan Baotlong Technology Co., Ltd.	93,936.80	2,818.10	4-5 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Yuanchang Materials Co., Ltd.	91,475.00		3-4 years		Collateral may cover
Huazhong University of Science and Technology	68,000.00	13,600.00	3-4 years	20.00	On account for more than one year, uncollected
Wuhan Shuangchi Trading Co., Ltd.	61,195.00		3-4 years		Collateral may cover
Wuhan Mustard Seed Trading Co., Ltd.	53,897.00	1,616.91	Over 5 years	3.00	Provision for bad debts at 3% for categories of concern
Hubei Shenghui Trading Co., Ltd.	49,323.00	1,479.69	Over 5 years	3.00	Provision for bad debts at 3% for categories of concern
Bai Shuxin	48,334.70	9,666.94	2-3 years	20.00	On account for more than one year, uncollected
Wuhan Jinbi Building Materials Co., Ltd.	35,120.00	1,045.80	4-5 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Sun Hung Kai Properties Co., Ltd.	540.00	16.20	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Hubei Jiangyan Shipbuilding Co., Ltd.	70.00	2.10	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Hankou Jingwu Food Industrial Park Co., Ltd.	50.00	1.50	Within 1 year, 3-4 years	3.00	Provision for bad debts at 3% for categories of concern
Total	132,041,778.01	28,140,747.71			

(5) Top five accounts receivable in the closing balance, aggregated by debtors

Name of debtor	Book balance	Proportion of total accounts receivable (%)	Provision for bad debts
Jizhong Energy International Logistics Group Co., Ltd.	237,426,193.61	13.89	237,426,193.61
Wuhan Public Transport Group Co., Ltd.	158,292,354.13	9.26	
Kunming West Bus Station Co., Ltd.	73,684,355.00	4.31	2,210,530.65
Wuhan Industrial Investment Production Management Co., Ltd.	50,000,000.00	2.92	
Wuhan Dongben Storage & Transportation Co., Ltd.	30,406,483.70	1.78	
Total	549,809,386.44	32.16	239,636,724.26

5. Prepayments

(1) Aging of prepayments

	Closing balance				
Aging	Book value	Provision for bad			
	Amount	Proportion (%)	debts		
Within 1 year (Including 1 year)	3,383,475,360.68	95.06	89,592.76		
1—2 years	6,285,584.45	0.18	2,946.51		
2—3 years	5,287,256.59	0.15			
Over 3 years	164,110,218.72	4.61			
Total	3,559,158,420.44		92,539.27		

(Continued)

	Opening balance			
Aging	Book value	Book value		
	Amount	Proportion (%)	debts	
Within 1 year (Including 1 year)	1,240,588,807.29	87.65	56,442.00	
1—2 years	9,703,008.84	0.69		
2—3 years	1,386,725.10	0.10		
Over 3 years	163,619,879.92	11.56		
Total	1,415,298,421.15		56,442.00	

(2) Large prepayments outstanding for more than one year

Creditor	Debtor	Closing balance	Aging	Reasons for non-settlement
Wuhan Changfa Land Co., Ltd.	Donghu Xianfeng Village Villagers' Committee	128,705,103.50	Over 3 years	Unsettled
Wuhan Changfa Land Co., Ltd.	Undertake the interest of the loan for the rebuilt house in Xianfeng Village	11,206,906.71	Over 3 years	Unsettled
Wuhan Changfa Land Co., Ltd.	Hongshan Land Consolidation And Reserve Center	10,000,000.00	Over 3 years	Unsettled

Creditor	Debtor	Closing balance	Aging	Reasons for non-settlement
Wuhan Yangluo Development Co., Ltd.	Wuhan United Laser Co., Ltd.	7,550,312.00	Over 3 years	Unsettled
Wuhan Changfa Land Co., Ltd.	Wuhan Land Use and Urban Space Planning Research Center	1,500,000.00	Over 3 years	Unsettled
Wuhan Changfa Land Co., Ltd.	Beijing Huayan Cultural Investment Co., Ltd.	1,000,000.00	Over 3 years	Unsettled
Total		159,962,322.21		

(3) Top five prepayments of closing balance by defaulting party

Name of debtor	Book balance	Proportion of total prepayments (%)	Provision for bad debts
Huapei (Wuhan) Supply Chain Management Co., Ltd.	561,937,063.60	15.79	
Shanghai Juyi International Trade Co., Ltd.	274,563,365.08	7.71	
Ningbo Federal ChangYun International Trade Co., Ltd.	242,741,394.98	6.82	
Shenzhen Zexing Import & Export Co., Ltd.	193,983,647.70	5.45	
Shenzhen Zhechuang Investment Co., Ltd.	160,113,073.21	4.50	
Total	1,433,338,544.57	40.27	

6. Other receivables

Item	Closing balance	Opening balance
Interest receivable	673,663,339.25	686,385,700.91
Dividends receivable	121,840.00	469,860.00
Other receivables	11,536,522,859.42	12,484,269,484.36
Total	12,210,308,038.67	13,171,125,045.27

(1) Interest receivable

Item	Closing balance	Opening balance
Fixed deposit		
Entrusted loan	590,621.84	590,621.84
Bond investment		4,000,000.01
Others	673,072,717.41	681,795,079.06
Total	673,663,339.25	686,385,700.91

Note: Others mainly represent fund occupancy fees receivable for providing funds to participating companies

(2) Dividends receivable

ltem	Closing balance	Opening balance	Reasons for non-recovery	Whether impairment has occurred and the basis for judgement
Dividends receivable aged within one year		348,020.00		
Including: 1. Wuhan Yangtze River Communication Industry Group Co., Ltd.		348,020.00		
Dividends receivable aged Over 1 year	121,840.00	121,840.00		

ltem	Closing balance	Opening balance	Reasons for non-recovery	Whether impairment has occurred and the basis for judgement
Including: 1. Hubei Radio and Television Information Network Co., Ltd.	121,840.00	121,840.00	Consultations in progress	No
Total	121,840.00	469,860.00		

(3) Other receivables

	Closing balance				
Туре	Book ba	alance	Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables where individual amounts are significant and individual provisions for bad debts are made	53,544,928.52	0.40	20,544,928.52	38.37	
Other receivables with provision for bad debts based on a portfolio of credit risk characteristics	13,410,726,679.39	99.23	1,924,977,657.96	14.35	
Other receivables where the individual amount is not material but the individual provision for bad debts is made	49,542,813.35	0.37	31,768,975.36	64.12	
Total	13,513,814,421.26	100.00	1,977,291,561.84		

(Continued)

	Opening balance				
Туре	Book bal	ance	Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables where individual amounts are significant and individual provisions for bad debts are made	53,544,928.52	0.41	20,544,928.52	38.37	
Other receivables with provision for bad debts based on a portfolio of credit risk characteristics	12,741,557,261.68	96.83	558,794,021.86	4.39	
Other receivables where the individual amount is not material but the individual provision for bad debts is made	363,427,262.77	2.76	94,921,018.23	26.12	
Total	13,158,529,452.97	100.00	674,259,968.61		

1) Other receivables with significant individual amounts and a separate provision for bad debts

Name of debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason
Hubei Tianzhou Shuncai Real Estate Co., Ltd.	53,544,928.52	20,544,928.52	Over 5 years	38.37	Judgment has been rendered, and RMB 33 million is expected to be recovered.
Total	53,544,928.52	20,544,928.52			

- 2) Other receivables for which provision for bad debts is made based on a portfolio of credit risk characteristics
 - a. Other receivables for which provision for bad debts is made using the aging analysis method

A circ a shows how	Closing balance				
Aging structure	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (Including 1 year)	1,100,537,705.98	36.31	1,226,926,608.78		
1—2 years	38,104,310.80	1.26	211,911.04		
2—3 years	303,075.00	0.01	3,810,431.08		
3—4 years	25,897,922.13	0.85	12,726,041.08		
4—5 years	1,780,916,951.51	58.75	90,922.50		
Over 5 years	85,492,786.31	2.82	85,492,786.31		
Total	3,031,252,751.73	100.00	1,329,258,700.79		

A ging stanceture	Opening balance				
Aging structure	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (Including 1 year)	1,975,282,607.78	88.41	425,600.01		
1—2 years	116,290,296.18	5.21	1,412,594.08		
2—3 years	4,648,282.27	0.21	695,659.97		
3—4 years	23,645,906.24	1.06	9,749,100.64		
4—5 years	52,463,340.33	2.35	26,231,670.17		
Over 5 years	61,624,075.53	2.76	61,624,075.53		
Total	2,233,954,508.33	100.00	100,138,700.40		

Note: The aging of other receivables for which provision for bad debts is made using the aging analysis method at the end of the year does not collate with the aging at the beginning of the year. This is mainly due to the consolidation of three subsidiaries acquired by Wuhan Credit Investment Group Co., Ltd. through a business combination not under common control and the addition of a subsidiary acquired by Wuhan Credit Risk Management Financing Guarantee Co., Ltd.

b. Other receivables for which provision for bad debts is made using other methods

Postfolio como	Closing balance			
Portfolio name	Amount	Proportion (%)	Provision for bad debts	
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners	5,990,606,789.88	9.83	588,670,823.23	
Portfolio 3 inter-affiliate receivables and employee reserve funds	4,388,867,137.78	0.16	7,048,133.94	
Total	10,379,473,927.66		595,718,957.17	

Portfolio name	Opening balance			
Portiolio name	Amount	Proportion (%)	Provision for bad debts	
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners	6,799,519,565.32	6.63	451,045,794.63	
Portfolio 3 inter-affiliate receivables and employee reserve funds	3,708,083,188.03	0.21	7,609,526.83	
Total	10,507,602,753.35		458,655,321.46	

3) Other receivables at the end of the year with a single provision for bad debts although the individual amounts are not material

Name of debtor	Book balance	Bad debt amount	Aging	Proporti on (%)	Reason
Wuhan Mustard Seed Trading Co., Ltd.	15,906,699.67	4,772,009.90	3-4 years	30.00	Risk classification identified as secondary
Huangpi District People's government	15,000,000.00	15,000,000.00	Over 3 years	100.00	The chances of recovery are small
Wuhan Port Group	5,600,000.00	5,600,000.00	Over 4 years	100.00	The chances of recovery are small
Hubei Chuge Technology Development Co., Ltd.	4,150,647.00	666,100.00	3-4 years	16.05	Collateral value can be partially covered
Wuhan Jinbi Building Materials Co., Ltd.	3,256,805.38	102,204.16	3-4 years	3.14	Collateral value can be partially covered
Sichuan Xinlicheng Pharmaceutical Co., Ltd.	3,171,961.30	3,171,961.30	Over 5 years	100.00	Not expected to be recovered
Zhongwo Yuye Technology Co., Ltd.	2,290,000.00	2,290,000.00	Over 5 years	100.00	The chances of recovery are small
Wuhan Guantong Real Estate Development Co., Ltd.	166,700.00	166,700.00	Over 3 years	100.00	The chances of recovery are small
Total	49,542,813.35	31,768,975.36			

4) Provision for bad debts recovered or reversed

Name of debtor	Reversal or recovery amount	Amount of accumulated provision for bad debts before reversal or recovery	Reasons for and manner of reversal or recovery
Zhongwo Yuye Technology Co., Ltd.	700,000.00	700,000.00	Cash received
Total	700,000.00	700,000.00	

5) Other receivables with the top five balances at the end of the year by debtor

Name of debtor	Nature of payment	Closing balance	Aging	Proportion of the total closing balance of other receivables (%)	Provision for bad debts
Wuxin Investment Holding (Shenzhen) Co., Ltd.	Other transactions	1,893,903,020.76	1-3 years	14.01	335,230,436.40
China Shipping Trust Co., Ltd.	Trust and guarantee fund	829,750,000.00	2-5 years	6.14	
Wuxin Industrial Development (Shenzhen) Co., Ltd.	Other transactions	372,000,000.00	3-4 years	2.75	
Dalian Friendship (Group) Co., Ltd.	Other transactions	220,000,000.00	1-2 years	1.63	
Shanghai Guanggu Financial Leasing Co., Ltd.	Borrowing	200,000,000.00	Within 1 year	1.48	
Total		3,515,653,020.76		26.01	335,230,436.40

7. Inventories

	Closing balance			
Portfolio name	Book balance	Falling price reserves	Book value	
Raw materials	3,468,186.36	714,788.58	2,753,397.78	
Self-made semi-finished and in-process products	1,461,122,808.15	120,337,502.63	1,340,785,305.52	
Including: Real estate development products under construction	807,111,511.82	85,351,511.82	721,760,000.00	
Inventory goods (finished goods)	4,248,503,805.74	446,176,688.22	3,802,327,117.52	
Including: Completed real estate development products	2,345,767,319.84	441,507,024.37	1,904,260,295.47	
Working capital materials (packaging, low-value consumables)	3,016,031.69	29,849.50	2,986,182.19	
Expendable biological assets	46,500.00		46,500.00	
Others	3,895,694,115.93		3,895,694,115.93	
Total	9,611,851,447.87	567,258,828.93	9,044,592,618.94	

(Continued)

Dautalia assus	Opening balance			
Portfolio name	Book balance	Falling price reserves	Book value	
Raw materials	2,443,455.70	714,788.58	1,728,667.12	
Self-made semi-finished and in-process products	399,481.31		399,481.31	
Including: Real estate development products under construction				
Inventory goods (finished goods)	1,429,847,883.06	3,640,539.26	1,426,207,343.80	
Including: Completed real estate development products				
Working capital materials (packaging, low-value consumables)	3,569,510.76		3,569,510.76	
Expendable biological assets	43,000.00		43,000.00	
Others	4,076,953,860.31		4,076,953,860.31	
Total	5,513,257,191.14	4,355,327.84	5,508,901,863.30	

Note: "Inventories - Others" mainly represents real estate development costs, of which the main items:

- (1) As at December 31st, 2020, the real estate development cost of the "Great Northwest Lake Project" of Wuhan Yuxi Real Estate Development Co., Ltd., a Level 4 subsidiary of the Group, was RMB 2,196,247,742.47.
- (2) As at December 31st, 2020, the real estate development cost of "Dingxiu International City and Public House Project" of Wuhan Qianjing Real Estate Development Co., Ltd., a Level 4 subsidiary of the Group, was RMB 1,597,258,467.60.

8. Assets held for sale

Item	Closing balance	Opening balance	
Non-current assets held for sale	8,864,560.00	8,815,708.09	
Total	8,864,560.00	8,815,708.09	

Note: This account mainly represents the property held by Wuhan Qiaokou Tianhua Small Loan Co., Ltd., (hereinafter referred to as "Tianhua Small Loan Company"), a third-tier company of the Group, against the debt of a customer, which was put into this account because the company was going to sell the property.

- (1) A loan dispute exists between Tianhua Small Loan Company and the debtor Hubei Zhiyuan Technology Group Co., Ltd. According to the execution ruling issued by Wuhan Intermediate People's Court of Hubei Province on October 30th, 2019 ((2017) Hubei 01HZ No. 205-7), the person subject to enforcement's property No. 01, 2nd floor, Building 11, Lan Hua Yu An, No. 118 Wangjiawan, Shizishan Street, East Lake Development Zone, Wuhan (Housing Certificate No.: Hu 200902385) was used to offset the debt of Tianhua Small Loan Company with RMB 8 million. The above property was transferred from the time the ruling was served on Tianhua Small Loan Company. The property held by Tianhua Small Loan Company will be used for sale in the future, and as of December 31st, 2020, the above property has not been sold, so it is included in assets held for sale.
- (2) A loan dispute exists between Tianhua Small Loan Company and the debtor Fan Kai. According to the execution ruling issued by Wuhan Qiaokou District People's Court of Hubei Province on December 24th, 2019 ((2019) Hubei 0104 HZ No. 142), House No. 3, 6th floor, Unit 2, No. 122-125, Ronghua East Village, Qiaokou District, Wuhan City, under the name of the person subject to enforcement, Hu Fangsheng, was set off against the debt of Tianhua Small Loan Company for RMB 864,560. The above property was transferred from the time the ruling was served on Tianhua Small Loan Company. The property held by Tianhua Small Loan Company will be used for sale in the future, and as of December 31st, 2020, the above property has not been sold, so it is included in assets held for sale.

9. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivables due within one year	767,685,487.52	
Total	767,685,487.52	

(1) Finance lease receivables due within one year are as follows

Item	Closing balance	Opening balance
Finance lease receivables	767,685,487.52	
Less: Unrealized financing gain		
Provision for bad debts		
Total	767,685,487.52	

10. Other current assets

Item	Closing balance	Opening balance
Entrusted loan and net non-performing assets package	30,823,805,690.28	30,759,934,736.50

Item	Closing balance	Opening balance
Lending funds	1,134,996,793.52	1,921,617,991.12
VAT retained tax credit	439,057,868.51	453,706,839.67
Purchases of resold financial assets	138,004,140.00	115,200,900.00
Prepaid taxes and fees	25,212,599.95	66,064,113.68
Overpayment of personal income tax in previous years	481,390.65	481,390.65
Trust financial products	1,838,883,338.35	289,850,000.00
Amount of input tax to be certified	474,020.29	277,209.98
Loss on current assets pending disposal	1,059,662.84	1,059,662.84
Others	45,991,153.53	63,426,155.52
Total	34,447,966,657.92	33,671,618,999.96

Note: Others are prepaid rent, etc.

11. Available-for-sale financial assets

(1) Details of available-for-sale financial assets

lha	Closing balance				
Item	Book balance	Impairment provision	Book value		
Available-for-sale debt instruments					
Available-for-sale equity instruments	7,945,977,335.42	45,580,417.19	7,900,396,918.23		
Including: Fair value measurement	181,353,312.48		181,353,312.48		
Cost measurement	7,764,624,022.94	45,580,417.19	7,719,043,605.75		
Others	7,609,089,743.80		7,609,089,743.80		
Total	15,555,067,079.22	45,580,417.19	15,509,486,662.03		

(Continued)

lha	Opening balance			
ltem	Book balance	Impairment provision	Book value	
Available-for-sale debt instruments				
Available-for-sale equity instruments	10,388,446,129.02	45,580,417.19	10,342,865,711.83	
Including: Fair value measurement	2,608,359,943.60		2,608,359,943.60	
Cost measurement	7,780,086,185.42	45,580,417.19	7,734,505,768.23	
Others	5,860,367,341.85		5,860,367,341.85	
Total	16,248,813,470.87	45,580,417.19	16,203,233,053.68	

Note: Others are mainly trust plans invested by the subsidiary, Guotong Trust Co., Ltd.

(2) Available-for-sale financial assets measured at fair value at year-end

Item	Available-for-sale equity instruments	Available-for-sale debt instruments	Others	Total
Cost of equity instruments/amortized cost of debt instruments	233,336,838.43			233,336,838.43
Fair value	181,353,312.48			181,353,312.48
Cumulative amount of changes in fair value recognized in other comprehensive income	-51,983,525.95			-51,983,525.95
Impairment amounts charged				

Note: The cumulative amount of changes in fair value recognized in other comprehensive income differs from the beginning of the year. This is due to the fact that during the year, Wuhan Credit Small Loan Co., Ltd., a subsidiary, increased the Group's shareholding ratio in Wuhan Rural Commercial Bank at the overall level by executing and acquiring the debtor, Wuhan Hyperdragon Prince Wine Co., Ltd.'s equity interest in Wuhan Rural Commercial Bank Co., Ltd. (hereinafter referred to as "Wuhan Rural Commercial Bank"), resulting in a significant impact. Equity interest in Wuhan Rural Commercial Bank held by subsidiaries, Wuhan Power Development Co., Ltd. and Wuhan SME Credit Financing Guarantee Co., Ltd., which was included in available-for-sale financial assets and measured at fair value, is transferred to equity method of accounting for long-term equity investments and cumulative amount of changes in fair value included in other comprehensive income is transferred out.

12. Long-term receivables

ltem	Closing balance				
	Book balance	Provision for bad debts	Book value		
Finance leasing	31,356,127,158.31	980,277,981.17	30,375,849,177.14		
Including: Unrealized financing gain	2,997,256,768.19		2,997,256,768.19		
Sales of goods by instalments	574,158,727.93		574,158,727.93		
Installment collection to provide labor services					
Others					
Total	31,930,285,886.24	980,277,981.17	30,950,007,905.07		

(Continued)

ltem	Opening balance				
item	Book balance	Provision for bad debts	Book value		
Finance leasing	25,560,071,856.18	739,430,992.25	24,820,640,863.93		
Including: Unrealized financing gain	2,734,557,470.57		2,734,557,470.57		
Sales of goods by instalments	659,807,910.61		659,807,910.61		
Installment collection to provide labor services					
Others					
Total	26,219,879,766.79	739,430,992.25	25,480,448,774.54		

Note: Sales of goods by installments are new energy vehicles sold in installments.

13. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Investments in subsidiaries	500,000,000.00		500,000,000.00	
Investments in joint ventures				
Investments in associates	7,070,977,504.68	2,705,785,610.33	157,261,402.80	9,619,501,712.21
Subtotal	7,570,977,504.68	2,705,785,610.33	657,261,402.80	9,619,501,712.21
Less: Provision for impairment of long-term investments	324,596.47			324,596.47
Total	7,570,652,908.21	2,705,785,610.33	657,261,402.80	9,619,177,115.74

(2) Details of long-term equity investments

			Change for the year		
Investees	Investment costs	Opening balance	Additional investments	Reduction of investment	
I. Joint venture					
II. Associate	6,110,636,519.68	7,070,977,504.68	2,594,282,325.34	21,128,441.84	
China Eastern Airlines Wuhan Co., Ltd.	847,409,126.97	900,274,657.83			
Hankou Bank Co., Ltd.	1,893,359,536.00	5,181,812,050.41			
Wuhan Yangtze River Communication Industry Group Co., Ltd.	141,189,096.04	270,643,616.88			
Wuhan Changjiang Semiconductor Lighting Technology Co., Ltd.	50,000,000.00	25,649,428.70			
Y.U.D. Yangtze River Investment Industry Co., Ltd.	40,513,786.08	44,753,222.70			
Wuhan Credit Zesen Smart City Industry Co., Ltd.	1,500,000.00	1,500,000.00			
Wuhan Rural Commercial Bank Co., Ltd.	2,552,871,166.40		2,552,871,166.40		
Wuhan Yijing Jiangnan Property Co., Ltd.	19,600,000.00	82,366,569.75			
Qianlima Investment Co., Ltd.	1,969,972.80	1,969,972.80			
Wuhan Kaidacin Equity Investment Management Co., Ltd.	2,000,000.00	2,155,678.78			
Wuhan Economic Development Zone Industry Investment Zhizheng Small Ioan Co., Ltd.	80,000,000.00	84,983,195.86			
Wuhan Industrial Investment Production Management Co., Ltd.	1,000,000.00	1,917,759.46			
Wuhan Boqi Decorative Fabric Co., Ltd.	13,200,000.00	30,892,440.71			
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	42,000,000.00	42,785,841.94			
Wuhan Huitong Logistics Network Co., Ltd.	1,260,000.00	924,517.39			
Wuhan Smart Green Valley Technology Co., Ltd.	52,500,000.00	52,500,000.00			
Wuhan Xingli Investment Management Co., Ltd.	300,000.00	307,557.71			
Wuhan Logistics Information Development Co., Ltd.	980,000.00	124,596.47			
Wuhan Jiangan District Changfa Honest Small Loan Co., Ltd.	60,000,000.00	65,118,317.07			
Wuhan Jinxin Rongwei Financial Outsourcing Service Co., Ltd.	4,800,000.00	3,303,531.76			

			Change for the year	
Investees	Investment costs	Opening balance	Additional investments	Reduction of investment
Changsha Xintiandi Financial Service Technology Co., Ltd.	2,500,000.00	2,744,241.86		
Wuhan Shaou Food Marketing Co., Ltd.	5,000,000.00	2,942,904.03		
Wuhan Daoguanhe Scenic Park Co., Ltd. (Hongshanku)	100,000.00	100,000.00		
Wuhan Daoguanhe Scenic Park Co., Ltd. (Dahualing Library)	100,000.00	100,000.00		
Wuhan Jiangtian Metal Materials Co., Ltd.	3,211,158.94		3,211,158.94	
Wuhan Haibo Energy Co., Ltd.	32,400,000.00		32,400,000.00	
Wuhan Jundian Real Estate Co., Ltd.	18,784,000.00	17,086,105.00		
Wuhan Chengtong Logistics Co., Ltd.	19,907,511.55	12,612,090.90		
Wuhan New Power Fuel Co., Ltd.	2,156,800.00	29,895,402.65		
Wuhan Xingdong Property Management Development Co., Ltd.	500,000.00	500,000.00		500,000.00
Wuhan Wanshida Business Co., Ltd.	1,800,000.00		1,800,000.00	
Wuhan Zhongzhi Hanyang Real Estate Development Co., Ltd.	16,000,000.00	16,000,000.00		
Chongqing Xiangfu Sheng for industrial Co., Ltd.	5,040,000.00	2,892,560.46		
Kunming Baoxiang Tons Cold Storage Logistics Co., Ltd.	171,684,364.90	171,492,801.72		
Hubei Commercial Control Supply and Marketing Agricultural Products Management Co., Ltd.	4,000,000.00		4,000,000.00	
Wuhan Hongxing Macalline Zhengda Logistics Co., Ltd.	21,000,000.00	20,628,441.84		20,628,441.84
Total	6,110,636,519.68	7,070,977,504.68	2,594,282,325.34	21,128,441.84

	Change for the year				
Investees	Gains or losses recognized on investments under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment
I. Joint venture					
II. Associate	61,723,557.70	-26,193,478.11	228,965.40	136,132,960.96	
China Eastern Airlines Wuhan Co., Ltd.	-110,179,228.53	2,113,473.09			
Hankou Bank Co., Ltd.	171,425,643.16	-28,306,951.20	228,965.40	97,145,399.88	
Wuhan Yangtze River Communication Industry Group Co., Ltd.	9,637,976.27			2,082,121.80	
Wuhan Changjiang Semiconductor Lighting Technology Co., Ltd.	-392,861.80				
Y.U.D. Yangtze River Investment Industry Co., Ltd.	-3,479,760.00				
Wuhan Credit Zesen Smart City Industry Co., Ltd.					
Wuhan Rural Commercial Bank Co., Ltd.					
Wuhan Yijing Jiangnan Property Co., Ltd.	-53,066.72				
Qianlima Investment Co., Ltd.					

	Change for the year				
Investees	Gains or losses recognized on investments under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment
Wuhan Kaidacin Equity Investment Management Co., Ltd.	-2,282.17				
Wuhan Economic Development Zone Industry Investment Zhizheng Small	68,063.02			4,560,000.00	
loan Co., Ltd. Wuhan Industrial Investment Production Management Co., Ltd.	28,595.58				
Wuhan Boqi Decorative Fabric Co., Ltd. Ltd.	9,618,388.63			6,600,000.00	
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	1,543,515.12				
Wuhan Huitong Logistics Network Co., Ltd.	-24,873.51				
Wuhan Smart Green Valley Technology Co., Ltd.					
Wuhan Xingli Investment Management Co., Ltd.	-264.74				
Wuhan Logistics Information Development Co., Ltd.					
Wuhan Jiangan District Changfa Honest Small Loan Co., Ltd.	1,081,977.78				
Wuhan Jinxin Rongwei Financial Outsourcing Service Co., Ltd.	356,144.20				
Changsha Xintiandi Financial Service Technology Co., Ltd.	804,735.87				
Wuhan Shaou Food Marketing Co., Ltd.	-79,119.58				
Wuhan Daoguanhe Scenic Park Co., Ltd. (Hongshanku)					
Wuhan Daoguanhe Scenic Park Co., Ltd. (Dahualing Library)					
Wuhan Jiangtian Metal Materials Co., Ltd.					
Wuhan Haibo Energy Co., Ltd.					
Wuhan Jundian Real Estate Co., Ltd.	-117,198.48				
Wuhan Chengtong Logistics Co., Ltd.	681,900.81				
Wuhan New Power Fuel Co., Ltd.	209,845.41			25,745,439.28	
Wuhan Xingdong Property Management Development Co., Ltd.					
Wuhan Wanshida Business Co., Ltd.					
Wuhan Zhongzhi Hanyang Real Estate Development Co., Ltd.					
Chongqing Xiangfu Sheng for industrial Co., Ltd.	637,110.01				
Kunming Baoxiang Tons Cold Storage Logistics Co., Ltd.	-19,585,789.10				
Hubei Commercial Control Supply and Marketing Agricultural Products Management Co., Ltd. Wuhan Hongxing Macalline Zhengda	-455,893.53				
Logistics Co., Ltd.				400.000.000	
Total	61,723,557.70	-26,193,478.11	228,965.40	136,132,960.96	

Investees	Change for the year Others	Closing balance	Closing balance of impairment provision
I. Joint venture			
II. Associate	75,744,240.00	9,619,501,712.21	324,596.47
China Eastern Airlines Wuhan Co., Ltd.		792,208,902.39	
Hankou Bank Co., Ltd.		5,228,014,307.89	
Wuhan Yangtze River Communication Industry Group Co., Ltd.		278,199,471.35	
Wuhan Changjiang Semiconductor Lighting Technology Co., Ltd.		25,256,566.90	
Y.U.D. Yangtze River Investment Industry Co., Ltd.		41,273,462.70	
Wuhan Credit Zesen Smart City Industry Co., Ltd.		1,500,000.00	
Wuhan Rural Commercial Bank Co., Ltd.	75,744,240.00	2,628,615,406.40	
Wuhan Yijing Jiangnan Property Co., Ltd.		82,313,503.03	
Qianlima Investment Co., Ltd.		1,969,972.80	
Wuhan Kaidacin Equity Investment Management Co., Ltd.		2,153,396.61	
Wuhan Economic Development Zone Industry Investment Zhizheng Small Ioan Co., Ltd.		80,491,258.88	
Wuhan Industrial Investment Production Management Co., Ltd.		1,946,355.04	
Wuhan Boqi Decorative Fabric Co., Ltd.		33,910,829.34	
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.		44,329,357.06	
Wuhan Huitong Logistics Network Co., Ltd.		899,643.88	
Wuhan Smart Green Valley Technology Co., Ltd.		52,500,000.00	
Wuhan Xingli Investment Management Co., Ltd.		307,292.97	
Wuhan Logistics Information Development Co., Ltd.		124,596.47	124,596.47
Wuhan Jiangan District Changfa Honest Small Loan Co., Ltd.		66,200,294.85	
Wuhan Jinxin Rongwei Financial Outsourcing Service Co., Ltd.		3,659,675.96	
Changsha Xintiandi Financial Service Technology Co., Ltd.		3,548,977.73	
Wuhan Shaou Food Marketing Co., Ltd.			2,863,784.45
Wuhan Daoguanhe Scenic Park Co., Ltd. (Hongshanku)			100,000.00
Wuhan Daoguanhe Scenic Park Co., Ltd. (Dahualing Library)			100,000.00
Wuhan Jiangtian Metal Materials Co., Ltd.			3,211,158.94
Wuhan Haibo Energy Co., Ltd.			32,400,000.00
Wuhan Jundian Real Estate Co., Ltd.			16,968,906.52
Wuhan Chengtong Logistics Co., Ltd.			13,293,991.71
Wuhan New Power Fuel Co., Ltd.			4,359,808.78

Investees	Change for the year Others	Closing balance	Closing balance of impairment provision
Wuhan Xingdong Property Management Development Co., Ltd.			
Wuhan Wanshida Business Co., Ltd.			1,800,000.00
Wuhan Zhongzhi Hanyang Real Estate Development Co., Ltd.			16,000,000.00
Chongqing Xiangfu Sheng for industrial Co., Ltd.			3,529,670.47
Kunming Baoxiang Tons Cold Storage Logistics Co., Ltd.			151,907,012.62
Hubei Commercial Control Supply and Marketing Agricultural Products Management Co., Ltd.			3,544,106.47
Wuhan Hongxing Macalline Zhengda Logistics Co., Ltd.			
Total	75,744,240.00	9,619,501,712.21	324,596.47

Note: The formation of the new long-term equity investments in Wuhan Rural Commercial Bank in the current period was due to: Wuhan Electric Power Development Co., Ltd. and Wuhan SME Credit Financing Guarantee Co., Ltd., the subsidiaries, held 7.56% and 2.01% equity interests in Wuhan Rural Commercial Bank, respectively, which were originally included in available-for-sale financial assets and measured at fair value. During the year, Wuhan Credit Small Loan Co., Ltd., a subsidiary, increased the Group's shareholding ratio in Wuhan Rural Commercial Bank at the overall level by executing and acquiring the debtor, Wuhan Hyperdragon Prince Wine Co., Ltd.'s equity interest in Wuhan Rural Commercial Bank, resulting in a significant impact. Equity interest in Wuhan Rural Commercial Bank held by subsidiaries, Wuhan Power Development Co., Ltd. and Wuhan SME Credit Financing Guarantee Co., Ltd., which was included in available-for-sale financial assets, is transferred to equity method of accounting for long-term equity investments.

(3) Key financial information of significant associates

	Closing balance		
Item	Hankou Bank Co., Ltd.	China Eastern Airlines Wuhan Co., Ltd.	
Current assets	44,536,728,510.20	83,540,001.15	
Non-current assets	393,897,201,646.03	7,554,659,220.21	
Total assets	438,433,930,156.23	7,638,199,221.36	
Current liabilities	402,763,843,334.18	1,887,020,257.42	
Non-current liabilities	12,450,796,275.90	2,473,664,398.92	
Total liabilities	415,214,639,610.08	4,360,684,656.34	
Net assets	23,219,290,546.15	3,277,514,565.02	
Share of net assets based on shareholding ratio	4,555,624,805.15	749,239,829.56	
Adjustments			
Book value of equity investments in associates			
Fair value of equity investments for which publicly quoted prices exist			
Operating revenue	5,914,455,934.03	1,653,516,881.21	
Finance costs		2,562,661.72	

ltem	Closing balance		
item	Hankou Bank Co., Ltd.	China Eastern Airlines Wuhan Co., Ltd.	
Income tax expense	-1,124,941,513.82	-136,660,130.36	
Net profit	606,028,209.75	-487,280,164.06	
Other comprehensive income		-78,640,239.13	
Total comprehensive income	606,028,209.75	-565,920,403.19	
Dividends received from joint ventures during the period			

ltem	Opening balance		
item	Hankou Bank Co., Ltd.	China Eastern Airlines Wuhan Co., Ltd.	
Current assets	51,307,018,000.00	368,733,710.28	
Non-current assets	354,432,547,000.00	7,917,061,425.25	
Total assets	405,739,565,000.00	8,285,795,135.53	
Current liabilities	296,394,842,000.00	1,610,976,842.46	
Non-current liabilities	87,496,881,000.00	2,897,075,282.21	
Total liabilities	383,891,723,000.00	4,508,052,124.67	
Net assets	21,847,842,000.00	3,777,743,010.86	
Share of net assets based on shareholding ratio	4,286,546,600.40	863,592,052.28	
Adjustments			
Book value of equity investments in associates			
Fair value of equity investments for which publicly quoted prices exist			
Operating revenue	6,472,600,000.00	4,743,362,736.79	
Finance costs		167,817,544.86	
Income tax expense	-342,220,000.00	114,917,996.72	
Net profit	2,418,902,000.00	318,965,388.59	
Other comprehensive income	-144,276,000.00	9,245,289.10	
Total comprehensive income	2,274,626,000.00	328,210,677.69	
Dividends received from joint ventures during the period			

14. Investment properties

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Total original book value	1,809,597,745.46	24,469,606.56		1,834,067,352.02
1. Houses, buildings	1,623,043,597.16	24,469,606.56		1,647,513,203.72
2. Land use rights	186,554,148.30			186,554,148.30
Total accumulated depreciation (amortization)	300,170,234.74	58,592,139.79		358,762,374.53

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
1. Houses, buildings	283,527,084.46	53,858,004.19		337,385,088.65
2. Land use rights	16,643,150.28	4,734,135.60		21,377,285.88
Total net book value	1,509,427,510.72			1,475,304,977.49
1. Houses, buildings	1,339,516,512.70			1,310,128,115.07
2. Land use rights	169,910,998.02			165,176,862.42
Total Impairment provision				
1. Houses, buildings				
2. Land use rights				
Total book value	1,509,427,510.72			1,475,304,977.49
1. Houses, buildings	1,339,516,512.70			1,310,128,115.07
2.Land use rights	169,910,998.02			165,176,862.42

15. Fixed assets

Item	Closing balance	Opening balance
Fixed assets	2,823,844,446.80	2,990,201,283.97
Fixed assets disposal	108,597.71	1,712.50
Total	2,823,953,044.51	2,990,202,996.47

(1) Details of fixed assets

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Total original book value	4,702,752,450.62	205,818,649.04	50,746,944.80	4,857,824,154.86
Including: Land assets	9,275,000.00			9,275,000.00
Houses, buildings	2,340,487,071.98	133,713,392.89	12,795,277.70	2,461,405,187.17
Machinery and equipment	409,761,234.67	37,791,243.38	1,599,132.23	445,953,345.82
Transportation	1,741,904,135.93	22,198,369.25	30,772,880.00	1,733,329,625.18
Electronic equipment	64,326,074.44	3,520,609.19	1,084,185.58	66,762,498.05
Office equipment	84,997,180.63	4,576,277.60	3,855,861.62	85,717,596.61
Furniture for the hospitality industry		86,387.62		86,387.62
Others	52,001,752.97	3,932,369.11	639,607.67	55,294,514.41
Total accumulated depreciation	1,712,543,060.88	354,409,114.40	32,995,808.80	2,033,956,366.48
Including: Land assets				
Houses, buildings	609,187,180.48	82,333,662.19	3,077,122.76	688,443,719.91
Machinery and equipment	246,902,931.97	35,312,352.19	1,226,769.46	280,988,514.70
Transportation	715,480,564.71	216,985,973.50	25,188,996.59	907,277,541.62
Electronic equipment	51,162,690.97	7,325,749.80	1,060,826.08	57,427,614.69

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Office equipment	58,467,145.73	8,126,842.63	2,170,715.45	64,423,272.91
Furniture for the hospitality industry		5,471.20		5,471.20
Others	31,342,547.02	4,319,062.89	271,378.46	35,390,231.45
Total net fixed assets	2,990,209,389.74			2,823,867,788.38
Including: Land assets	9,275,000.00			9,275,000.00
Houses, buildings	1,731,299,891.50			1,772,961,467.26
Machinery and equipment	162,858,302.70			164,964,831.12
Transportation	1,026,423,571.22			826,052,083.56
Electronic equipment	13,163,383.47			9,334,883.36
Office equipment	26,530,034.90			21,294,323.70
Furniture for the hospitality industry				80,916.42
Others	20,659,205.95			19,904,282.96
Total fixed assets impairment	8,105.77	15,235.81		23,341.58
Including: Land assets				
Houses, buildings				
Machinery and equipment	8,105.77	15,235.81		23,341.58
Transportation				
Electronic equipment				
Office equipment				
Furniture for the hospitality industry				
Others				
Total book value of fixed assets	2,990,201,283.97			2,823,844,446.80
Including: Land assets	9,275,000.00			9,275,000.00
Houses, buildings	1,731,299,891.50			1,772,961,467.26
Machinery and equipment	162,850,196.93			164,941,489.54
Transportation	1,026,423,571.22			826,052,083.56
Electronic equipment	13,163,383.47			9,334,883.36
Office equipment	26,530,034.90			21,294,323.70
Furniture for the hospitality industry				80,916.42
Others	20,659,205.95			19,904,282.96

(2) Fixed assets without proper title certificate

Item	Book value	Reason for not completing the title certificate
Houses, buildings (reserves)	684,958.60	The developer is not handling it yet
Optics Valley Industrial Park Phase I	14,562,622.24	Still in process
Total	15,247,580.84	

(3) Liquidation of fixed assets

Item	Closing book value	Opening book value	Reasons for transfer to liquidation
Obsolescence of fixed assets	554.94	1,712.50	Obsolescence
Terminal fixed assets	108,042.77		Obsolescence cleanup
Total	108,597.71	1,712.50	

16. Construction in progress

(1) Details of construction in progress

		Closing balance		
Item	Book balance	Impairment provision	Book value	
National Grain Modern Logistics (Wuhan) Base	987,291,326.83		987,291,326.83	
Rice base	10,700.12		10,700.12	
Hanyang Passenger Transport Center Expansion Project	20,056.86		20,056.86	
Hai Lian Building Maintenance	2,085,857.92		2,085,857.92	
Cold Chain Warehouse Renovation Project	542,828.78		542,828.78	
Wuchang Base	173,842.00		173,842.00	
Weak Electrical System Maintenance	257,568.67		257,568.67	
Jinshan Avenue Special 1 Headquarters Maintenance and Renovation Project	1,486,528.30		1,486,528.30	
No.1 Jinshan Avenue Conference Center Renovation Project	1,866,933.74		1,866,933.74	
Zhuankou Branch Comprehensive Building Circuit Renovation, Vault Facade and Piecemeal Projects	92,775.81		92,775.81	
Manpower Sector Upgrade Project	289,216.06		289,216.06	
Jiangxia Branch Roof, Bathroom External Wall Waterproofing Repair Project	43,798.35		43,798.35	
Vehicle Monitoring System Platform Upgrade Project	632,368.14		632,368.14	
Zhuankou and Xinzhou Base Gas Station Renovation	44,669.72		44,669.72	
Xinandu base	1,192,841.32		1,192,841.32	
Wuhan Xingang Huazhong Trade Service Zone	1,180,790,223.50		1,180,790,223.50	
Hotel Decoration and Renovation Project	44,802,500.76		44,802,500.76	
Beef Processing Plant Construction	2,953,819.38		2,953,819.38	
Beef Processing Warehouse Construction	884,955.74		884,955.74	
Purchase SHOP++ system	79,009.90		79,009.90	

		Closing balance	
Item	Book balance	Impairment provision	Book value
Weiye Building Decoration			
No. 2 Emergency Freezer Renovation	73,190.39		73,190.39
Warehouse 7 Project	1,747,825.78		1,747,825.78
Distribution Warehouse Project			
Baishiyi Cold Storage Project	2,456,327.55		2,456,327.55
Cold Chain Logistics Information Technology Project	8,478,543.36		8,478,543.36
Wuhan 10,000-ton Huazhong Cold Chain Port Phase II	1,162,800.00		1,162,800.00
Wuhan 10,000-ton Huazhong Cold Chain Port Phase I	795,616,533.28		795,616,533.28
Sewage Station Renovation Project	1,604,227.24		1,604,227.24
Liuku Pipeline Installation Project	1,017,682.62		1,017,682.62
Automatic Tank Capacity Monitoring System for Tank Areas	147,000.00	147,000.00	
Elevator of Building 3 of Yanjiang Base I			
Second phase brand image planning and installation	70,250.00		70,250.00
Quasi-low temperature warehouse renovation (7 Base)	996,969.50		996,969.50
Quasi-low temperature demonstration base (5 and 6 Base)	12,000.00		12,000.00
Roof waterproofing and lightning protection equipment	45,000.00		45,000.00
Demonstration Warehouse Construction and Repair and Renovation Project	1,770,000.00		1,770,000.00
The second phase of the three standards production costs	70,250.00		70,250.00
Weighbridge room	189,700.00		189,700.00
Old barn exterior wall reinforcement			
Barn wall coating project	317,002.32		317,002.32
Old cottage repair and renovation	294,918.54		294,918.54
Barn renovation	153,896.87		153,896.87
Video Surveillance	46,998.20		46,998.20
High-voltage ring network distribution box	273,171.37		273,171.37
North Gate	264,300.18		264,300.18
Market development Project	122,698.87		122,698.87
Fire Fighting Facilities	2,354,708.49		2,354,708.49
Golden Parkway Civil Engineering			
Warehouse and logistics base construction project	45,992,458.72		45,992,458.72
4S store decoration	98,638.00		98,638.00
External treasury expenses	44,292.00		44,292.00

		Closing balance			
Item	Book balance	Impairment provision	Book value		
Shanghai Base Project	5,824,494.58	-	5,824,494.58		
Huazhong Zhigu Office Building Decoration	5,781,383.90		5,781,383.90		
Auto parts processing and distribution	256,410.26		256,410.26		
Wanduntong Information Engineering	4,121,951.32		4,121,951.32		
Refrigeration door renovation					
Wastewater treatment equipment	195,929.17		195,929.17		
Taining Street No. 6 dangerous house renovation					
Concrete floor construction of No.1 plant of Xinjing Port					
5000 tons oil tank					
Preform workshop					
Water Diversion System					
Banglun (Guanggu) Pharmaceutical Industrial Park					
Lyophilized powder injection and water injection project	38,796,552.95	43,198.06	38,753,354.89		
Roads in the reservoir area					
Heat insulation ceiling project in the warehouse					
Electricity Capacity Increase					
Drying workshop canopy and road surface					
Special funds for construction of grain depots in 2017					
3-5 bins ceiling					
2019 Construction Funding (3, 4 Barn renovation)					
Special funds for grain depot construction in 2018					
Special funds for grain depot construction in 2019					
2019 Food Bank Construction Supplemental Funding Program					
Hai'an Cold Storage	2,422,528.76		2,422,528.76		
Engineering Materials	208,230.00		208,230.00		
Total	3,148,570,686.12	190,198.06	3,148,380,488.06		

Item	Book balance	Impairment provision	Book value
National Grain Modern Logistics (Wuhan) Base	833,406,925.94		833,406,925.94
Rice base			
Hanyang Passenger Transport Center Expansion Project	80,484.60		80,484.60
Hai Lian Building Maintenance	1,264,746.00		1,264,746.00
Cold Chain Warehouse Renovation Project			
Wuchang Base	1,146,539.30		1,146,539.30
Weak Electrical System Maintenance	257,568.67		257,568.67
Jinshan Avenue Special 1 Headquarters Maintenance and Renovation Project	18,819,369.73		18,819,369.73
No.1 Jinshan Avenue Conference Center Renovation Project	7,865,707.00		7,865,707.00
Zhuankou Branch Comprehensive Building Circuit Renovation, Vault Facade and Piecemeal Projects			
Manpower Sector Upgrade Project			
Jiangxia Branch Roof, Bathroom External Wall Waterproofing Repair Project			
Vehicle Monitoring System Platform Upgrade Project			
Zhuankou and Xinzhou Base Gas Station Renovation			
Xinandu base			
Wuhan Xingang Huazhong Trade Service Zone	960,021,854.70		960,021,854.70
Hotel Decoration and Renovation Project	149,666.24		149,666.24
Beef Processing Plant Construction			
Beef Processing Warehouse Construction			
Purchase SHOP++ system			
Weiye Building Decoration	4,104,954.26		4,104,954.26
No. 2 Emergency Freezer Renovation			
Warehouse 7 Project	1,747,825.78		1,747,825.78
Distribution Warehouse Project	2,184,332.96		2,184,332.96
Baishiyi Cold Storage Project	2,456,327.55		2,456,327.55
Cold Chain Logistics Information Technology Project	9,920,475.70		9,920,475.70
Wuhan 10,000-ton Huazhong Cold Chain Port Phase II			
Wuhan 10,000-ton Huazhong Cold Chain Port Phase I	691,464,060.26		691,464,060.26
Sewage Station Renovation Project	1,512,457.24		1,512,457.24
Liuku Pipeline Installation Project	66,625.84		66,625.84
Automatic Tank Capacity Monitoring System for Tank Areas	147,000.00	147,000.00	

	Opening balance		
Item	Book balance	Impairment provision	Book value
Elevator of Building 3 of Yanjiang Base I	29,203.54	·	29,203.54
Second phase brand image planning and installation			
Quasi-low temperature warehouse renovation (7 Base)			
Quasi-low temperature demonstration base (5 and 6 Base)			
Roof waterproofing and lightning protection equipment			
Demonstration Warehouse Construction and Maintenance And Renovation Project			
The second phase of the three standards production costs			
Weighbridge room			
Old barn exterior wall reinforcement	1,531,285.24		1,531,285.24
Barn wall coating project	317,002.32		317,002.32
Old cottage repair and renovation	294,918.54		294,918.54
Barn renovation	153,896.87		153,896.87
Video Surveillance			
High-voltage ring network distribution box			
North Gate			
Market Development Project			
Fire Fighting Facilities			
Golden Parkway Civil Engineering	2,991,371.40		2,991,371.40
Warehouse Logistics Base Construction Project	46,982,927.22		46,982,927.22
4S store decoration	98,638.00		98,638.00
External treasury expenses	44,292.00		44,292.00
Shanghai Base Project	5,824,494.58		5,824,494.58
Huazhong Zhigu Office Building Decoration	2,840,702.05		2,840,702.05
Auto parts processing and distribution	288,489.69		288,489.69
Wanduntong Information Engineering	3,676,415.10		3,676,415.10
Refrigeration door renovation	18,103.45		18,103.45
Wastewater treatment equipment	130,619.46		130,619.46
Taining Street No. 6 dangerous house renovation	97,087.38		97,087.38
Concrete floor construction of No.1 plant of Xinjing Port	695,533.98		695,533.98
5000 tons oil tank	8,000.00		8,000.00
Preform workshop	48,341.88		48,341.88
Water Diversion System	16,264.50		16,264.50

		Opening balance		
ltem	Book balance	Impairment provision	Book value	
Banglun (Guanggu) Pharmaceutical Industrial Park	22,995,760.93		22,995,760.93	
Lyophilized powder injection and water injection project	36,987,290.42	43,198.06	36,944,092.36	
Roads in the reservoir area	906,319.39		906,319.39	
Heat insulation ceiling project in the warehouse	1,734,851.82		1,734,851.82	
Electricity Capacity Increase	1,361,184.50		1,361,184.50	
Drying workshop canopy and road surface	1,016,288.10		1,016,288.10	
Special funds for construction of grain depots in 2017	1,217,196.04		1,217,196.04	
3-5 bins ceiling	731,076.69		731,076.69	
2019 Construction Funding (3, 4 Barn renovation)	148,358.00		148,358.00	
Special funds for grain depot construction in 2018	3,441,123.97		3,441,123.97	
Special funds for grain depot construction in 2019	1,751,028.81		1,751,028.81	
2019 Food Bank Construction Supplemental Funding Program	1,035,519.01		1,035,519.01	
Hai'an Cold Storage				
Engineering Materials	486,001.00		486,001.00	
Total	2,676,516,507.65	190,198.06	2,676,326,309.59	

Note: The closing balance of the property of the "Wuhan Xingang Huazhong Trade Service Zone" project of RMB 1,180,790,223.50 was mortgaged to Wuhan Rural Commercial Bank Yangluo Economic Development Zone Sub-branch.

(2) Changes in major construction in progress item during the period

Project name	Budget	Opening balance	Increase in current year
National Grain Modern Logistics (Wuhan) Base	2,067,000,000.00	833,406,925.94	153,884,400.89
Rice base			10,700.12
Hanyang Passenger Transport Center Expansion Project		80,484.60	30,612.26
Hai Lian Building Maintenance		1,264,746.00	821,111.92
Cold Chain Warehouse Renovation Project			542,828.78
Wuchang Base	434,605.00	1,146,539.30	126,803.47
Weak Electrical System Maintenance	257,568.67	257,568.67	
Jinshan Avenue Special 1 Headquarters Maintenance and Renovation Project	23,168,557.28	18,819,369.73	4,860,098.67
No.1 Jinshan Avenue Conference Center Renovation Project	4,643,909.53	7,865,707.00	1,402,763.89
Zhuankou branch comprehensive building circuit renovation, vault facade and piecemeal projects	115,969.77		92,775.81
Manpower Sector Upgrade Project	413,165.80		289,216.06
Jiangxia branch roof, bathroom external wall waterproofing repair project	72,997.25		43,798.35
Vehicle Monitoring System Platform Upgrade Project	2,107,893.80		632,368.14

Project name	Budget	Opening balance	Increase in current year
Zhuankou and Xinzhou base gas station renovation	148,899.07		44,669.72
Construction and renovation project of the office building of Teweiquanye	2,219,722.69		2,066,467.50
Xinandu base	3,976,137.73		1,192,841.32
Wuhan Xingang Huazhong Trade Service Zone	2,080,000,000.00	960,021,854.70	220,768,368.80
Hotel Decoration and Renovation Project	49,780,556.40	149,666.24	44,652,834.52
Beef Processing Plant Construction	3,282,021.53		2,953,819.38
Beef Processing Warehouse Construction	983,284.16		884,955.74
Purchase SHOP++ project	87,788.78		79,009.90
Office renovation on the 10th floor of Weiye Building	4,104,954.26	4,104,954.26	
Charging piles		479,801.00	
Charging guns		6,200.00	
Total	4,242,798,031.72	1,827,603,817.44	435,380,445.24

Project name	Fixed assets transferred for the year	Other decrease for the year	Closing balance
National Grain Modern Logistics (Wuhan) Base			987,291,326.83
Rice base			10,700.12
Hanyang Passenger Transport Center Expansion Project	91,040.00		20,056.86
Hai Lian Building Maintenance			2,085,857.92
Cold Chain Warehouse Renovation Project			542,828.78
Wuchang Base		1,099,500.77	173,842.00
Weak Electrical System Maintenance			257,568.67
Jinshan Avenue Special 1 Headquarters Maintenance and Renovation Project		22,192,940.10	1,486,528.30
No.1 Jinshan Avenue Conference Center Renovation Project	1,799,928.19	5,601,608.96	1,866,933.74
Zhuankou branch comprehensive building circuit renovation, vault facade and piecemeal projects			92,775.81
Manpower Sector Upgrade Project			289,216.06
Jiangxia branch roof, bathroom external wall waterproofing repair project			43,798.35
Vehicle Monitoring System Platform Upgrade Project			632,368.14
Zhuankou and Xinzhou base gas station renovation			44,669.72
Construction and renovation project of the office building of Teweiquanye		2,066,467.50	
Xinandu base			1,192,841.32
Wuhan Xingang Huazhong Trade Service Zone			1,180,790,223.50
Hotel Decoration and Renovation Project			44,802,500.76

Project name	Fixed assets transferred for the year	Other decrease for the year	Closing balance
Beef Processing Plant Construction			2,953,819.38
Beef Processing Warehouse Construction			884,955.74
Purchase SHOP++ project			79,009.90
Office renovation on the 10th floor of Weiye Building		4,104,954.26	
Charging piles		277,771.00	202,030.00
Charging guns			6,200.00
Total	1,890,968.19	35,343,242.59	2,225,750,051.90

Note: Other decrease for the year of Jinshan Avenue Special 1 Headquarters Maintenance and Renovation Project is due to the transfer into long-term deferred expenses.

(Continued 2)

Project name	Proportion of cumulative project investment in the budget (%)	Progress of works (%)	Accumulated amount of interest capitalization
National Grain Modern Logistics (Wuhan) Base	48.31	48.00	356,049,939.76
Rice base			
Hanyang Passenger Transport Center Expansion Project			
Hai Lian Building Maintenance			
Cold Chain Warehouse Renovation Project			
Wuchang Base	40.00	40.00	
Weak Electrical System Maintenance	100.00	100.00	
Jinshan Avenue Special 1 Headquarters Maintenance and Renovation Project	93.58	93.58	
No.1 Jinshan Avenue Conference Center Renovation Project	40.20	40.20	
Zhuankou Branch Comprehensive Building Circuit Renovation, Vault Facade and Piecemeal Projects	80.00	80.00	
Manpower Sector Upgrade Project	70.00	70.00	
Jiangxia Branch Roof, Bathroom External Wall Waterproofing Repair Project	60.00	60.00	
Vehicle Monitoring System Platform Upgrade Project	30.00	30.00	
Zhuankou and Xinzhou Base Gas Station Renovation	30.00	30.00	
Construction and Renovation Project of the Office Building of Teweiquanye		100.00	
Xinandu base		100.00	
Wuhan Xingang Huazhong Trade Service Zone	56.77	56.77	150,988,281.69
Hotel Decoration and Renovation Project	90.00	90.00	
Beef Processing Plant Construction	90.00	90.00	
Beef Processing Warehouse Construction	90.00	90.00	
Purchase SHOP++ project	90.00	90.00	

Project name	Proportion of cumulative project investment in the budget (%)	Progress of works (%)	Accumulated amount of interest capitalization
Office renovation on the 10th floor of Weiye Building			
Charging piles			
Charging guns			
Total			507,038,221.45

Project name	Including: Amount of interest capitalized during the year	Capitalization rate of interest for the year (%)
National Grain Modern Logistics (Wuhan) Base	59,258,333.23	16.64%
Rice base		
Hanyang Passenger Transport Center Expansion Project		
Hai Lian Building Maintenance		
Cold Chain Warehouse Renovation Project		
Wuchang Base		
Weak Electrical System Maintenance		
Jinshan Avenue Special 1 Headquarters Maintenance and Renovation Project		
No.1 Jinshan Avenue Conference Center Renovation Project		
Zhuankou Branch Comprehensive Building Circuit Renovation, Vault Facade and Piecemeal Projects		
Manpower Sector Upgrade Project		
Jiangxia Branch Roof, Bathroom External Wall Waterproofing Repair Project		
Vehicle Monitoring System Platform Upgrade Project		
Zhuankou and Xinzhou Base Gas Station Renovation		
Construction and Renovation Project of the Office Building of Teweiquanye		
Xinandu base		
Wuhan Xingang Huazhong Trade Service Zone	30,574,980.35	6.8%
Hotel Decoration and Renovation Project		
Beef Processing Plant Construction		
Beef Processing Warehouse Construction		
Purchase SHOP++ project		
Office Renovation on the 10th Floor of Weiye Building		
Charging piles		
Charging guns		
Total	89,833,313.58	

a. Engineering materials

Item	Closing balance	Opening balance
Charging piles	202,030.00	479,801.00
Charging guns	6,200.00	6,200.00
Total	208,230.00	486,001.00

17. Productive biological assets

(1) Productive biological assets at cost

Item	Opening book value	Increase in current year	Decrease in current year	Closing book value
Animal husbandry		85,792.43		85,792.43
Including: Security dog		85,792.43		85,792.43
Forestry	1,441,998.43		329,599.64	1,112,398.79
Including: 1. Camphor, cassia, spruce and other seedlings	1,441,998.43		329,599.64	1,112,398.79
Total	1,441,998.43	85,792.43	329,599.64	1,198,191.22

18. Intangible assets

(1) Classification of intangible assets

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Total orginal price	1,466,564,925.19	55,042,122.80	31,806,584.35	1,489,800,463.64
Including: Software	60,461,884.66	7,285,230.08	70,923.58	67,676,191.16
Land use right	1,393,214,195.04	47,640,754.18	31,735,660.77	1,409,119,288.45
Patent rights	5,438,015.49			5,438,015.49
Non-patented technology	7,281,030.00	75,792.00		7,356,822.00
Trademark rights		40,346.54		40,346.54
Authorships	1,800.00			1,800.00
Others	168,000.00			168,000.00
Total accumulated amortization	233,249,517.25	40,247,556.68	4,533,585.00	268,963,488.93
Including: Software	26,776,638.73	9,018,974.57	522,557.43	35,273,055.87
Land use right	202,485,923.12	30,278,563.54	4,011,027.57	228,753,459.09
Patent rights	1,518,205.55	543,801.55		2,062,007.10
Non-patented technology	2,380,029.85	404,071.92		2,784,101.77
Trademark rights		1,965.10		1,965.10
Authorships	720.00	180.00		900.00
Others	88,000.00			88,000.00
Total accumulation of impairment provision Amount	1,999,115.00			1,999,115.00
Including: Software				

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Land use right				
Patent rights				
Non-patented technology	1,999,115.00			1,999,115.00
Trademark rights				
Authorships				
Others				
Total original price	1,231,316,292.94			1,218,837,859.71
Including: Software	33,685,245.93			32,403,135.29
Land use right	1,190,728,271.92			1,180,365,829.36
Patent rights	3,919,809.94			3,376,008.39
Non-patented technology	2,901,885.15			2,573,605.23
Trademark rights				38,381.44
Authorships	1,080.00			900.00
Others	80,000.00			80,000.00

19. Development expenditures

lho m	Opening	Increase in current year		
ltem	balance	Internal development expenditure	Others	
Neural Network Task Allocation System for Distributed Internet of Things	291,262.14			
GIS Research in Environmental Research in Wuhan	47,169.81			
Smart Cities		4,140.00		
Changlian Laifu		17,877,067.36		
Wuhan Meatpacking		606,427.26		
Total	338,431.95	18,487,634.62		

(Continued)

	Decrease in current year			Clasinahalana	
ltem	Recognized as an Transfer to current others intangible asset profit or loss		Closing balance		
Neural Network Task Allocation System for Distributed Internet of Things				291,262.14	
GIS Research in Environmental Research in Wuhan				47,169.81	
Smart Cities		4,140.00			
Changlian Laifu		17,877,067.36			
Wuhan Meatpacking		606,427.26			
Total		18,487,634.62		338,431.95	

20. Goodwill

(1) Goodwill book value

Name of investee or goodwill formation	Opening balance	Increase in current year	Decrease in current year	Closing balance
Wuhan Cheng Sheng Dian When Co. Ltd.	2,800,000.00			2,800,000.00
Wuhan Financial Leasing Co., Ltd.		1,542,896.65		1,542,896.65
Guotong Trust Co. Ltd.	2,945,687,630.04			2,945,687,630.04
Dalian Shengfa Real Estate Co., Ltd.		62,142,323.73	62,142,323.73	
Handan Faxing Real Estate Development Co., Ltd.		27,519,688.63	27,519,688.63	
Shenyang Xingshi Real Estate Development Co., Ltd.		67,039,398.92	67,039,398.92	
Wuhan Tons cold storage Logistics Co. Ltd.	26,284,230.63			26,284,230.63
Yangzhou Qinqintons cold storage Logistics Co. Ltd.	2,552,856.70			2,552,856.70
Wuhan Dingxin Construction Engineering Co. Ltd.	492,236.88		492,236.88	
Wuhan Badatong Agricultural Products Logistics Co. Ltd.	26,539,825.65			26,539,825.65
Wuhan Xinhe Real Estate Co. Ltd.	1,334,805.17		1,334,805.17	
Shayang Tianyi Pharmaceutical Co. Ltd.				
Hubei Changlian Durer Pharmaceutical Co. Ltd.	13,043,428.96			13,043,428.96
Total	3,018,735,014.03	158,244,307.93	158,528,453.33	3,018,450,868.63

(2) Goodwill impairment provision

Name of investee or goodwill formation	Opening balance	Increase in current year	Decrease in current year	Closing balance
Dalian Shengfa Real Estate Co., Ltd.		62,142,323.73		62,142,323.73
Handan Faxing Real Estate Development Co., Ltd.		27,519,688.63		27,519,688.63
Shenyang Xingshi Real Estate Development Co., Ltd.		67,039,398.92		67,039,398.92
Shayang Tianyi Pharmaceutical Co. Ltd.	1,420,595.66			1,420,595.66
Total	1,420,595.66	156,701,411.28		158,122,006.94

Note: the new goodwill in this year is formed by business combination not under the same control, and the specific formation process is as follows:

1) On May 29th, 2020, Wuhan Credit Investment Group Co., Ltd., the fourth-tier company of the Group, signed the equity and debt transfer agreement with Dalian Friendship (Group) Co., Ltd. According to the agreement, Dalian Friendship (Group) Co., Ltd. transferred the equity of its wholly-owned subsidiaries Dalian Shengfa Real Estate Co., Ltd., Handan Faxing Real Estate Development Co., Ltd. and Shenyang Xingshi Real Estate Development Co., Ltd. as well as the creditor's rights to the above three companies to Wuhan Credit Investment Group, forming a business combination not under common control. The amount of transaction consideration on the purchase date exceeding the fair value of the underlying unit's net assets is RMB 156,701,411.28, which is included in goodwill. This part of goodwill is caused by the profit and loss in the transition period, so the full provision for impairment is made.

- 2) In this year, Wuhan Credit Risk Management Finance Guarantee Co., Ltd., a third-tier company of the Group, purchased 90% of the equity of Wuhan Financial Leasing Co., Ltd. to form a business combination not under common control. The amount of transaction consideration on the purchase date exceeding the fair value of net assets of RMB 1,542,896.65 was recognized as goodwill.
- 3) Reason for the decrease in goodwill of Wuhan Dingxin Construction Engineering Co. Ltd. and Wuhan Xinhe Real Estate Co. Ltd.

On August 3rd, 2020, the office meeting of Wuhan Wanxin Investment Co., Ltd. resolved to transfer 100% of the equity interests in Wuhan Dingxin Construction Engineering Co. Ltd. (hereinafter referred to as "Dingxin Construction") held by Wuhan Xinhe Real Estate Company Limited (hereinafter referred to as "Xinhe Company"), a wholly-owned subsidiary of Wanxin Investment Company, to the Wanxin Investment Company; after the completion of the above equity transfer, the 100% equity interest of Xinhe Company held by Wanxin Investment Company will be transferred, 90% of which will be transferred to Dingxin Construction and 10% of which will be transferred to Wuhan Xinlangtai Trade Development Co., Ltd. (hereinafter referred to as "Xinlangtai Company") After the transfer, the shareholding structure of Dingxin Construction was 100% held by Wanxin Investment Company; the shareholding structure of Xinhe Company was 90% held by Dingxin Construction and 10% held by Xinlangtai Company.

On August 25th, 2020, the transferor Xinhe Company and the transferee Wuhan Wanxin Investment o., Ltd. entered into the Equity Transfer Agreement on the transfer of equity interest in Dingxin Construction: the transferor Xinhe Company is willing to transfer its 100% equity interest in Dingxin Construction to Wuhan Wanxin Investment Co., Ltd. at a price of RMB 400,000.

On September 15th, 2020, the transferor Wuhan Wanxin Investment Co., Ltd. and Dingxin Construction entered into the Equity Transfer Agreement in respect of the equity transfer of Xinhe: the transferor Wuhan Wanxin Investment Co., Ltd. is willing to transfer its 90% equity interest in Xinhe to Dingxin Construction at a price of RMB 18.9 million.

On September 15th, 2020, the transferor Wuhan Wanxin Investment Co., Ltd. and the transferee Xinlangtai Company entered into the Equity Transfer Agreement in respect of the equity transfer of Xinhe Company: the transferor Wuhan Wanxin Investment Co., Ltd. is willing to transfer its 10% equity interest in Xinhe Company to Xinlangtai Company at a price of RMB 2.1 million.

Therefore, the goodwill of Wuhan Dingxin Construction Engineering Company Limited and Wuhan Xinhe Real Estate Company Limited has decreased in this period.

4) Wuhan Changlian Laifu Pharmaceutical Co., Ltd., the third-tier company of the Group, acquired the equity of Shayang Tianyi Pharmaceutical Co. Ltd. to form goodwill. Due to the excessive loss of S Shayang Tianyi Pharmaceutical Co. Ltd., the impairment loss of goodwill was withdrawn.

21. Long-term prepayment

Item	Item Opening balance		Amortized in current year
Building improvement and maintenance	27,538,784.80	41,591,776.68	19,890,505.64
Financial service fee		483,619.26	483,619.26
Linger platform rental fee		380,000.00	47,499.99
Site insurance costs	29,785.32	47,173.58	45,509.85

ltem	Opening balance	Increase in current year	Amortized in current year
Prepaid rent for the office area of Qintai	29,199.00	190,210.43	187,707.70
Network service fee	6,375.05		5,512.50
Quanlida Construction Price Software	9,339.62		2,334.90
Newspaper and magazine subscriptions	6,887.94	3,506.00	6,888.00
Reconstruction of the platform for incoming calls	273,620.22	24,842.22	114,855.25
Vehicle insurance costs	4,951.71		4,951.71
Site rental fee of Red Star Macalline charging station in Ertouwan	10,000.06		10,000.06
Purchase and installation cost of urban industrial building	25,486.86		6,234.75
Amortization of business-related expenses	6,028,746.39	650,943.40	2,750,254.74
Amortization of network construction cost	150,734.80		46,379.94
Annual fee of optical fiber from 2018 to 2019	37,735.84		18,867.92
Rental fee of access road in Dahualing reservoir area	36,500.00		
Renovation of Hanhe service center, safety dormitory and sentry box		21,685.78	21,685.78
Renovation of mansion parking lot	62,543.97		62,543.97
Amortization of Jingcheng tooling	5,192.45		5,192.45
Production and amortization of non-motor vehicle shed	11,448.00		11,448.00
Ruizheng early intervention fee	31,829.54		31,829.54
Machine printed receipt	7,092.00	8,849.56	15,941.56
Amortization of Jingcheng security dormitory renovation	6,404.84		6,404.84
Amortization of the installation of parking lot gates in No. 10 Commercial Plaza	18,226.28		18,226.28
Amortization of the installation of commercial parking lot fence in International City A	6,575.82		6,575.82
Amortization of the construction of the parking lot gates in the commercial plaza of International City A	12,176.41		12,176.41
Amortization of Jingcheng parking lot renovation	76,388.10		76,388.10
Other	17,800.00		17,800.00
Loan service fees	54,540.00		54,540.00
Land contract operating rights	183,300.00		
Office design and decoration on the fourth floor of Fu Shang Building	1,190,635.24		269,577.84
Exterior wall renovation of Fu Shang Building	3,733,333.33		800,000.01
Blackening of Jingcheng Road	467,637.69		467,637.69
Amortization of consulting fee	271,561.50		217,027.65
Financial management consulting fees	1,100,000.00		1,003,883.51
Informational tray	6,266,666.67	1,005,309.74	2,663,746.38
Total	47,711,499.45	44,407,916.65	29,383,748.04

(Continued)

ltem	Other decrease in current year	Closing balance	Reasons for other decrease
Building improvement and maintenance		49,240,055.84	
Financial service fee			
Linger platform rental fee		332,500.01	
Site insurance costs		31,449.05	
Prepaid rent for the office area of Qintai		31,701.73	
Network service fee		862.55	
Quanlida Construction Price Software		7,004.72	
Newspaper and magazine subscriptions		3,505.94	
Reconstruction of the platform for incoming calls		183,607.19	
Vehicle insurance costs			
Site rental fee of Red Star Macalline charging station in Ertouwan			
Purchase and installation cost of urban industrial building		19,252.11	
Amortization of business-related expenses		3,929,435.05	
Amortization of network construction cost		104,354.86	
Annual fee of optical fiber from 2018 to 2019		18,867.92	
Rental fee of access road in Dahualing reservoir area		36,500.00	
Renovation of Hanhe service center, safety dormitory and sentry box			
Renovation of mansion parking lot			
Amortization of Jingcheng tooling			
Production and amortization of non-motor vehicle shed			
Ruizheng early intervention fee			
Machine printed receipt			
Amortization of Jingcheng security dormitory renovation			
Amortization of the installation of parking lot gates in No. 10 Commercial Plaza			
Amortization of the installation of commercial parking lot fence in			
International City A Amortization of the construction of the parking lot gates in the commercial plaza of International City A			
Amortization of Jingcheng parking lot renovation			
Other			
Loan service fees			
Land contract operating rights		183,300.00	
Office design and decoration on the fourth floor of Fu Shang Building		921,057.40	

Item	Other decrease in current year	Closing balance	Reasons for other decrease
Blackening of Jingcheng Road			
Amortization of consulting fee		54,533.85	
Financial management consulting fees	96,116.49		
Informational tray		4,608,230.03	
Total	96,116.49	62,639,551.57	

- 22. Deferred income tax assets and deferred income tax liabilities
- (1) Deferred income tax assets and deferred income tax liabilities are not shown net of offsets

	Closing	g balance	Openi	ng balance
ltem	Deferred income tax assets/liabilities	Deductible or chargeable Temporary differences in taxes	Deferred income tax assets/liabilities	Deductible or chargeable Temporary differences in taxes
Deferred income tax assets:				
Provision for impairment of assets	583,974,294.33	2,340,640,511.15	485,213,672.74	1,949,374,602.37
Deductible Losses			124,473.54	727,790.45
Employee benefits	43,420,795.97	173,683,183.88	62,338,767.33	249,355,069.32
Changes in fair value of trading financial assets	7,845,803.32	31,112,425.78	10,652,535.60	42,610,142.38
Changes in fair value of available-for-sale financial assets included in other comprehensive income	988,626.24	3,954,504.92	1,144,215.36	4,576,861.42
Others	10,941,978.37	51,183,113.82	9,277,866.92	45,954,540.45
Subtotal	647,171,498.23	2,600,573,739.55	568,751,531.49	2,292,599,006.39
Deferred income tax liabilities:				
Valuation of trading financial instruments, derivative financial instruments	8,190,626.84	32,762,507.36	9,937,595.51	39,750,381.87
Changes in fair value of available-for-sale financial assets included in other comprehensive income	3,036,900.40	12,147,601.58	461,863,445.04	1,847,453,780.15
Increase in appraised fair value	1,371,560.31	6,929,761.78	1,349,303.99	7,043,308.71
Subtotal	12,599,087.55	51,839,870.72	473,150,344.54	1,894,247,470.73

Note: Deferred tax assets - other deductible or taxable temporary differences arise from the unrecognized income in accounting for advance receipts from a subsidiary, Wuhan Financial Assets Exchange Co., Ltd.

(2) Details of unrecognized deferred income tax assets

Item	Closing balance	Opening balance
Deductible temporary differences-Asset impairment provision	1,584,127,083.04	304,925,211.74
Total	1,584,127,083.04	304,925,211.74

23. Other non-current assets

Item	Closing balance	Opening balance
Targeted Debt Operations	3,915,856,000.00	2,000,000,000.00
Input VAT to be deducted	9,701,701.04	4,601,020.36
Entrusted loan	27,750,000.00	25,000,000.00
Prepaid tax	2,329,166.67	
Everbright Xinglong trust investment	1,000,000.00	
Advance payment for Item land for cold chain logistics park	106,260,000.00	106,260,000.00
Prepaid acquisition of long-term assets	2,002,402.45	1,467,744.09
Others	13,409,372.04	14,165,827.21
Total	4,078,308,642.20	2,151,494,591.66

Note: The prepayment of RMB 106,260,000.00 for the land for the cold chain logistics park project represents the new Chongqing Cold Chain Logistics Park project in the Western International Agro-related Logistics Park of Chongqing High-Tech Industrial Development Zone of the Group's Level 5 subsidiary, Chongqing Wanton Cold Storage & Logistics Co., Ltd. The land payment has been paid, but the land has not been delivered.

24. Short-term loans

(2) Classification of short-term loans

Item	Closing balance	Opening balance
Pledged loan		257,212,366.11
Secured loan	431,737,944.48	276,948,366.42
Guaranteed loans	1,514,760,071.88	1,335,462,870.55
Credit loan	2,708,505,600.00	1,293,735,927.83
Total	4,655,003,616.36	3,163,359,530.91

25. Notes payable

Categories	Closing balance	Opening balance
Bank acceptance	398,559,721.44	151,904,849.77
Trade acceptance		
Total	398,559,721.44	151,904,849.77

26. Accounts payable

(1) Details of accounts payable

Aging	Closing balance		Opening bala	nce
Aging	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	247,640,276.13	45.31	230,241,605.37	46.95

Acina	Closing balance		Opening balance	
Aging	Amount	Proportion (%)	Amount	Proportion (%)
1 to 2 years (including 2 years)	61,398,077.27	11.24	215,558,121.20	43.96
2-3 years (including 3 years)	127,354,442.94	23.31	1,379,005.95	0.28
Over 3 years	110,041,438.04	20.14	43,226,033.66	8.81
Total	546,434,234.38	100.00	490,404,766.18	100.00

Note: The aging of accounts payable over 3 years at the end of the year does not reconcile with the aging at the beginning of the year, mainly due to the inclusion of three new subsidiaries acquired by the subsidiary Wuhan Credit Investment Group Co., Ltd. through business combinations not under common control.

(2) Significant accounts payable aged over 1 year

Name of creditor	Closing balance	Reason for non-reimbursement
Wuhan Kaiwo Automobile Co. Ltd.	50,512,299.01	Pending settlement
Wuhan BYD Auto Co. Ltd.	44,429,300.00	Pending settlement
Mead Johnson Nutrition (China) Co., Ltd.	17,694,156.19	Not settled
Gao Hong New Energy Technology Co., Ltd.	10,500,000.00	Pending settlement
Dalian Xincheng Decoration Co., Ltd.	9,185,999.80	The project fund has not been settled yet
Shenyang Yuanda Aluminum Engineering Co., Ltd.	6,648,778.62	The project fund has not been settled yet
China Construction Second Engineering Bureau Ltd.	5,877,692.12	Agreed to suspend
Liaoning Hongguang Electromechanical Fire Engineering Co., Ltd.	5,654,335.50	The project fund has not been settled yet
Heineken Beer (Shanghai) Co., Ltd.	4,880,062.74	Not settled
Zhongbo Construction Group Co. Ltd.	4,095,707.81	The project fund has not been settled yet
Sichuan Huijin Trading Co., Ltd.	3,983,621.26	Not settled
China Construction Second Bureau Decoration Engineering Co., Ltd.	3,482,957.00	The project fund has not been settled yet
Shanghai Nestle Product Service Co., Ltd.	3,376,480.00	Not settled
Guangdong Duomeizi Food Technology Co., Ltd.	2,531,095.24	Not settled
Wuhan Nanpu Food Co., Ltd.	1,637,730.48	Not settled
Dalian Xianfeng Architectural Design Consulting Co., Ltd.	1,458,000.00	Agreedt to suspend
Guangzhou Watsons Food & Beverage Co. Ltd.	1,181,351.69	Not settled
Beijing Baizeli Trading Co., Ltd.	1,092,000.00	Agreedt to suspend
Zhongbo Construction Group Co. Ltd.	1,000,000.00	Guarantee
Total	179,221,567.46	

(3) Top five in the balance of accounts payable

Name of creditor	Closing balance	Proportion of accounts payable (%)
Wuhan Kaiwo Automobile Co. Ltd.	50,512,299.01	9.24

Name of creditor	Closing balance	Proportion of accounts payable (%)
Wuhan BYD Auto Co. Ltd.	44,429,300.00	8.13
Industrial and Commercial Bank of China Limited	43,935,383.10	8.04
Mead Johnson Nutrition (China) Co., Ltd.	17,694,156.19	3.24
Hubei Province Grain and Oils (Group) Co., Ltd.	15,590,000.00	2.85
Total	172,161,138.30	31.50

27. Advance from customers

(1) Status of advance from customers

Acina	Closing balar	ice	Opening balance	
Aging	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,891,959,229.64	91.96	1,188,219,992.61	90.12
Over 1 year	165,316,886.20	8.04	130,328,828.46	9.88
Total	2,057,276,115.84	100.00	1,318,548,821.07	100.00

(2) Significant advance from customers aged over 1 year

Name of creditor	Closing balance	Reasons for non-carryforward
Bank of Hangzhou Co., Ltd.	12,360,494.73	Not settled
Hubei Zishan Lake Ecological New Town Investment Co. Ltd.	6,500,000.00	The lease term is not expired
Wuhan Jiangnan Industrial Group Co., Ltd.	4,111,261.52	Agreedt to suspend
Hubei Xiangli Asset Management Co., Ltd.	2,914,000.00	Uncollected principal and interest on assigned loans
Hubei Xinhe Industrial Co., Ltd.	2,880,000.00	Change in oil prices and outstanding contracts
Taizhou Runjiang Construction Development Co., Ltd.	2,255,087.38	The lease term is not expired
Nanchang Duyichu Shoufucheng Catering Co., Ltd.	2,165,200.00	Uncollected principal and interest on assigned loans
Jiangxi Lijian International Trade Co., Ltd.	2,165,100.00	Uncollected principal and interest on assigned loans
Changsha Xinhua Liantong Official Kiln International Cultural Tourism Development Co., Ltd.	2,105,257.40	The lease term is not expired
Total	37,456,401.03	

(3) Top five in balance of advances from customers

Name of creditor	Closing balance	Proportion of advance receipts
Hubei Furong Zihong Industrial Development Co. Ltd.	318,028,261.30	15.46
Wuhan Niumancang Import & Export Co., Ltd.	162,422,097.42	7.90
Wuhan Jiuchuang Supply Chain Management Co., Ltd.	136,658,923.07	6.64
Huapei (Wuhan) Supply Chain Management Co., Ltd.	115,120,353.48	5.60
Shenzhen Youxingrong Trading Co., Ltd.	53,977,266.75	2.62
Total	786,206,902.02	38.22

28. Employee benefits payable

(1) Classification of employee benefits payable

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Short-term remuneration	349,217,351.84	1,159,365,109.71	1,211,008,402.24	297,574,059.31
Post-employment benefits - defined contribution plans	16,454,893.86	31,962,545.99	27,971,753.22	20,445,686.63
Termination benefits		920,836.42	920,836.42	
Benefits due within one year				
Others	19,716.74	91,798.82	96,323.82	15,191.74
Total	365,691,962.44	1,192,340,290.94	1,239,997,315.70	318,034,937.68

(2) Short-term remuneration

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Salaries, bonuses, allowances and subsidies	313,252,545.91	1,007,147,867.97	1,062,249,962.33	258,150,451.55
Employee benefit	3,982,264.24	42,733,171.20	42,566,357.28	4,149,078.16
Social insurance contributions	3,791,461.32	34,710,450.03	35,438,694.81	3,063,216.54
Including: Medical insurance premiums	3,712,240.33	32,805,652.75	33,486,703.88	3,031,189.20
Work injury insurance	40,528.94	76,164.22	90,034.86	26,658.30
Maternity insurance premium	33,824.15	1,552,688.34	1,570,883.53	15,628.96
Others	4,867.90	275,944.72	291,072.54	-10,259.92
Housing Provident Fund	821,356.69	45,908,129.29	44,559,511.36	2,169,974.62
Funds for trade unions and staff education	27,325,180.20	15,261,964.20	12,664,327.96	29,922,816.44
Short-term paid absences				
Short-term profit-sharing plan				
Other Short-term remuneration	44,543.48	13,603,527.02	13,529,548.50	118,522.00
Total	349,217,351.84	1,159,365,109.71	1,211,008,402.24	297,574,059.31

(3) Defined contribution plans

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Basic pension insurance	1,423,925.80	10,700,210.41	11,133,380.94	990,755.27
Unemployment insurance premiums	79,307.77	1,267,387.58	1,313,948.54	32,746.81
Enterprise Annuity Contributions	14,951,660.29	19,994,948.00	15,524,423.74	19,422,184.55
Total	16,454,893.86	31,962,545.99	27,971,753.22	20,445,686.63

29. Taxes and fees payable

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Value-added tax (VAT)	111,819,326.51	845,582,703.42	775,988,779.18	181,413,250.75

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Consumption tax	813.40			813.40
Corporate income tax	531,513,159.53	820,626,043.01	606,229,154.30	745,910,048.24
City maintenance and construction tax	14,974,847.77	35,251,367.89	32,314,963.15	17,911,252.51
Property tax	8,476,146.12	24,689,847.67	23,318,755.22	9,847,238.57
Land-use tax	4,983,071.33	9,323,141.06	9,292,353.46	5,013,858.93
Individual income tax	30,253,245.60	98,005,730.86	103,771,893.33	24,487,083.13
Educational surcharges (including local educational surcharges)	10,173,408.71	22,715,138.62	20,823,609.39	12,064,937.94
Other taxes	620,159,200.56	465,581,391.69	369,460,308.97	716,280,283.28
Total	1,332,353,219.53	2,321,775,364.22	1,941,199,817.00	1,712,928,766.75

Note: Other taxes mainly represented the land value added tax of Wuhan Tons cold storage Logistics Co. Ltd., a subsidiary, of RMB 515,882,332.77. (The amount of tax payable by the Group is subject to the tax clearance (settlement) report from the taxation authorities)

30. Other payables

Item	Closing balance Opening balance	
Interest payable	609,013,805.71	492,621,578.44
Dividend payable	194,545,570.04	262,652,589.72
Other payables	7,767,840,220.88	5,214,102,430.95
Total	8,571,399,596.63	5,969,376,599.11

(1) Status of interest payable

Item	Closing balance	Opening balance
Interest on long-term loans due for repayment by instalments	160,725,934.18	144,674,720.78
Interest on corporate bonds	34,015,000.03	42,627,410.77
Interest payable on short-term loans	25,735,182.81	3,140,088.33
Other interest	388,537,688.69	302,179,358.56
Total	609,013,805.71	492,621,578.44

Note: Other interest mainly interest on LIBOR payable and interest on interbank loans payable.

(2) Dividend payable

Item	Closing balance	Opening balance
Common share dividend	194,545,570.04	262,652,589.72
Total	194,545,570.04	262,652,589.72

(3) Other payables

1) Others payables classified by nature of payment

Nature of funds	Closing balance	Opening balance
Other related party transactions	1,326,310,923.17	165,811,219.74
Personal current account	3,811,782.17	2,714,479.67
Transactions with outside units	5,269,199,335.14	3,888,729,337.83
Housing rent and property costs	1,284,660.00	1,284,660.00
Pledge, security deposit, call money, deposit, security deposit	307,964,366.22	415,834,431.22
Collection agency	217,462,831.26	171,696,753.64
Costs to be paid	42,593,538.62	8,545,272.97
Provisional receipts	313,780,439.03	123,280,280.96
Special fund	2,118,083.80	2,118,083.80
Funding for party-building work	3,719,661.76	3,564,991.48
Demolition and relocation expenses	56,210,865.06	249,065,174.32
Operating funds	181,857,720.07	122,303,799.64
Engineering funds	7,615,156.20	7,621,382.62
Various subsidies related to grain reserves	17,158,146.55	
Others	16,752,711.83	51,532,563.06
Total	7,767,840,220.88	5,214,102,430.95

2) Significant other payables aged over 1 year

Name of unit	Closing balance	Reasons for non-payment
Wuxin-Hanyin Sino-French Eco-City Industrial Fund	126,166,666.67	Fund financier repayment to be distributed
Wuhan Jianghan District Urban Renewal and Housing Acquisition Management Office	47,500,000.00	Settlement period not yet reached
Wuhan Commercial Bank	38,943,567.37	Collection has not been paid yet
Wuhan Agricultural and Commercial Bank	34,085,957.39	Collection has not been paid yet
Wuhan Guanshi Investment Co. Ltd.	31,524,148.29	Financial difficulties
Wuhan Jianghan District Land Consolidation and Reserve Affairs Center	29,528,515.00	Settlement period not yet reached
Shenzhen Wuxin Innovation Equity Investment Fund Management Co., Ltd.	24,525,000.00	No collection by creditor
Suzhou Huiyin Hesheng Real Estate Investment Fund Partnership	23,674,100.00	Fund investment
Xinyixing Electric Vehicle (Wuhan) Co., Ltd.	23,607,700.00	Deposit not due
Furama Hotel Dalian	16,317,237.36	Paid on February 10 th , 2021
Wuhan Hexin Investment Co., Ltd.	14,320,000.00	No collection by creditor
Wuhan Hecheng Life Science and Technology Development Co., Ltd.	10,000,000.00	No collection by creditor
Wuhan Shengtai Real Estate Development Co., Ltd.	10,000,000.00	Deposit not due

Name of unit	Closing balance	Reasons for non-payment
Yangzijiang Automobile Group Co. Ltd.	9,601,300.00	Deposit not due
Wuhan Guanghe Steel Trading Co. Ltd.	6,000,000.00	Deposit not due
Wuhan Daobang Real Estate Agency Co., Ltd.	3,750,000.00	Settlement period not yet reached
Dewell & Partners Law Firm	3,380,000.00	The other party did not collect
Shoujinshang SME Service Co., Ltd.	3,363,848.25	Agreedt to suspend
Wuhan Finance Bureau	2,554,000.00	Chain debt
Wuhan Yunkang Steel Trading Co. Ltd.	2,000,000.00	Deposit not due
Hubei Zhongsheng Construction Engineering Co. Ltd.	2,000,000.00	Deposit not due
Guo Yan, Guo Shi	1,500,000.00	Unpaid investment in capital reduction
Wuhan Guofa Investment Management Group Co., Ltd.	1,499,250.00	Related party transactions
Wuhan Xin Angel Trading Co. Ltd.	1,000,000.00	Deposit not due
Wuhan Shengdian Packaging Material Co. Ltd.	1,000,000.00	Deposit not due
Wuhan Lighting Agricultural Technology Co. Ltd.	1,000,000.00	Deposit not due
Wuhan Shaou Food Marketing Co., Ltd.	750,000.00	Settlement period not yet reached
Total	469,591,290.33	

3) Top five in balance of other payables

Name of unit	Closing balance	Proportion to other payables (%)
China Great Wall Asset Management Co., Ltd.	1,014,466,700.00	13.06
China Cinda Asset Management Co., Ltd.	600,000,000.00	7.72
Hubei Yujiatou Group Co., Ltd.	480,000,000.00	6.18
Hubei Integrated Circuit Industry Investment Fund Co., Ltd.	250,000,000.00	3.22
Wuhan Gaorun Investment Management Co. Ltd.	160,000,000.00	2.06
Total	2,504,466,700.00	32.24

31. Non-current liabilities due within 1 year

(1) Status of non-current liabilities due within 1 year

Item	Closing balance	Opening balance
Long-term loans due within 1 year	11,536,640,000.00	12,719,923,581.40
Bonds payable due within 1 year		600,000,000.00
Long-term payables due within 1 year	1,641,931,848.24	227,415,030.89
Total	13,178,571,848.24	13,547,338,612.29

- (2) Supplementary information of long-term loans due within 1 year
- 1) Pledge loans

Loan unit	Borrowing balance	Pledge
Wuhan Rural Commercial Bank Co., Ltd. Business Department	10,000,000.00	Accounts receivable
China Merchants Bank Co., Ltd. Wuhan Branch	9,000,000.00	Accounts receivable
Total	19,000,000.00	

2) Mortgage loans

Loan unit	Borrowing balance	Collateral
Bank of Communications Co., Ltd. Wuhan New World Sub-branch	237,000,000.00	1-2F of the commercial building of "Dingxiu Plaza", No.36 Longyang Avenue, Hanyang District
Total	237,000,000.00	

(3) Guaranteed loans

Borrowing unit	Loan unit	Borrowing balance	Guarantor
Wuhan Development Investment Co., Ltd.	Zhongrong International Trust Co., Ltd.	1,497,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	CCB Trust Co., Ltd.	1,350,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Everbright Xinglong Trust Co., Ltd.	1,217,500,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Minmetals International Trust Co., Ltd.	800,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	CITIC Trust Co., Ltd.	720,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Lujiazui International Trust Co., Ltd.	500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	AVIC Trust Co., Ltd.	500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Huabao Trust Co., Ltd.	500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Huaneng Guicheng Trust Co., Ltd.	364,800,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Bank of East Asia Wuhan Branch	351,000,000.00	Wuhan Credit Risk Management Finance Guarantee Co., Ltd.
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	China Merchants Bank Co., Ltd.	228,500,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Yunnan International Trust Co., Ltd.	203,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	COFCO Trust Co., Ltd.	100,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Yangluo Development Co., Ltd.	Export-Import Bank of China Hubei Branch	98,840,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Changjiang Economic United Development Co., Ltd.	Huaxia Bank Co., Ltd. Jiefang Sub-branch	50,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Yangluo Development Co., Ltd.	China Merchants Bank Wuhan Huaqiao Sub-branch	12,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Hankou Bank Co., Ltd. Jiang'an Sub-branch	2,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Total		8,494,640,000.00	

(4) Credit loans

Loan unit	Borrowing balance
Ping An Bank Jiang'an Sub-branch	1,487,500,000.00
AVIC Trust Co., Ltd.	600,000,000.00
Wuhan Zhongbang Bank Co., Ltd. Business Department	400,000,000.00

Loan unit	Borrowing balance
China Merchants Bank	298,500,000.00
Total	2,786,000,000.00

32. Other current liabilities

(1) Classification of other current liabilities

Item	Closing balance	Opening balance
Short-term bonds payable		300,000,000.00
Unexpired liability reserve	73,976,641.45	32,550,546.77
Provision for warranty claims	169,348,349.66	35,347,775.17
Borrowing funds	28,387,730,000.00	26,650,250,000.00
Output tax to be transferred		39,397,463.83
Others	2,098,820,617.48	1,730,830,913.65
Total	30,729,875,608.59	28,788,376,699.42

Note: Others mainly represented liquidity supporting payment from the credit trust fund of Guotong Trust Co., Ltd.

33. Long-term loans

(1) Classification of long-term loans

Item	Closing balance	Opening balance
Pledge loans	1,443,600,000.00	2,110,000,000.00
Mortgage loans	1,905,576,977.06	1,601,622,534.82
Guaranteed loans	8,815,458,280.34	9,594,784,756.60
Credit loans	8,128,591,823.26	7,102,291,823.26
Total	20,293,227,080.66	20,408,699,114.68

(2) Supplementary information of long-term loans

1) Pledge loans

Loan unit	Borrowing balance	Pledge
Wuhan Rural Commercial Bank Co., Ltd. Business Department	1,000,000,000.00	Receivables
COFCO Trust Co., Ltd.	43,600,000.00	Receivables
Haier Financial Factoring (Chongqing) Co., Ltd.	400,000,000.00	Accounts receivable
Total	1,443,600,000.00	

2) Mortgage loans

Loan unit	Borrowing balance	Collateral
China Merchants Bank Co., Ltd.	4,108,177.06	Changfa Headquarters Office Building

Loan unit	Borrowing balance	Collateral
Wuhan Rural Commercial Bank Co., Ltd. Yangluo Economic Development Zone Sub-branch	1,192,000,000.00	Mortgage of construction in progress
Shanghai Hongxian Investment Co., Ltd. (Note 1)	349,468,800.00	The house at No. 28, Hanxi 3rd Road, Qiaokou District, Wuhan and the land use right within its possession
Agricultural Development Bank of China (Note 2)	360,000,000.00	
Total	1,905,576,977.06	

Note 1: On May 29th, 2020, Wuhan Zhengkai Logistics Co., Ltd., a subsidiary of the Group, signed the property right trust contract of Tibet trust-Wuhan Zhengkai Red Star Home Furnishing Exhibition Center between Shanghai Hongjun (trustor) and Tibet Trust Co., Ltd. (trustee), with the investment principal of RMB 350 million; The repayment period of the claim is from the establishment date of the trust to June 11th, 2038; The agreement stipulates that 0.11% per year of the principal balance of the outstanding creditor's rights on the day before the trust interest calculation date shall be used as the trust rate to collect the trust remuneration;

Basic contract: In 2019, Shanghai Hongjun and Zhengkai Logistics signed the "Funds Use Agreement (Zhengkai Logistics)" with the number [SHHJ-Funds-201908, which agreed that Shanghai Hongjun (party A) and Zhengkai Logistics (party B) signed a funds use agreement, in which Party A agreed to split funds of RMB 350 million to Party B, and Party B agreed to return the principal on schedule.

Agreement on assignment and confirmation of claims: the debtor is Zhengkai Logistics, the transferor is Shanghai Hongjun, and the transferee is Tibet Trust Co., Ltd. It stipulates that the transferor shall establish "Tibet trust-Wuhan Zhengkai Red Star Home Furnishing Exhibition Center Property Trust Right" by which the transferor shall transfer its creditor's rights of Wuhan Zhengkai Logistics Co., Ltd. (project company) ,i.e. trust, to the transferee as part of the trust property.

Mortgage contract: the debtor and the transferee sign the Mortgage Contract with the number of [TTCO-L-S-WHZK-2019086-DYHT-01]. The house located at No. 28, Hanxi 3rd Road, Qiaokou District, Wuhan and the land use right ("property assets") within its possession area under the Real Estate Certificate No. 0028675 of E (2018) Qiaokou District Real Estate Rights (If the property certificate of property assets is changed in the later period, the new property certificate number shall prevail), which is legally own by the debtor, are mortgaged to the transferee to provide guarantee for the creditor's rights;

Pledge contract of accounts receivable: the debtor and the transferee sign the Pledge Contract of Accounts Receivable with the number of [TTCO-L-S-WHZK-2019086-ZYHT-01]. The accounts receivable of the house located at No. 28, Hanxi 3rd Road, Qiaokou District, Wuhan and the land use right ("property assets") under the Real Estate Certificate No. 0028675 of E (2018) Qiaokou District Real Estate Rights in accordacne with Lease Contract (If the property certificate of property assets is changed in the later period, the new property certificate number shall prevail), which is legally own by the debtor, are pledged to the transferee to provide guarantee for the creditor's rights .

Note 2: Wuhan Wanton Central China Cold Chain Port Co., Ltd., a subsidiary of the Group, borrows RMB 360 million from the Agricultural Development Bank of China. The loan period is from April 14th, 2019 to April 13th, 2029, and the loan interest rate is 5.635%. The loan is used for the construction of Wuhan Wanton Central China Cold Chain Port Project (Phase I)

The loan is mortgaged by Wuhan Shangkong Huading Industrial Incubator Co., Ltd. with its own real estate. The list of collateral is as follows:

No.	Mortgage contract	Name of collateral	Ownership certificate and number
1	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	ECQZEZ No. S2015047735 -76
	42070000-2019 EZ(D)Z NO. 0002	real estate mortgage	EZGY (2014) No. 2-45
2	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	EZFQZGDKZ No. 130834216
	42070000-2019 L2(D)2 NO. 0002	hearestate mortgage	EZGY (2013) No. 2-137
3	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	EZFQZGDKZ No. 130834209
	42070000-2019 L2(D)2 NO. 0002	hearestate mortgage	EZGY (2013) No. 2-138
4	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	EZFQZGDK No. 130837142
4	42070000-2019 EZ(D)Z NO. 0002	real estate mortgage	EZGY (2014) No. 2-46
5	42070000-2019 EZ(D)Z No. 0002	Pool estate mortgage	EZFQZGDK No. 130837144
	42070000-2019 EZ(D)Z NO. 0002	Real estate mortgage	EZGY (2014) No. 2-44
6	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	ECQZEZ No. 130834388
	42070000-2019 EZ(D)Z NO. 0002	real estate mortgage	EZGY (2014) No. 2-47
7	42070000-2019 EZ(D)Z No. 0002	Pool estate mortgage	ECQZEZ No. S2014003083
	42070000-2019 EZ(D)Z NO. 0002	Real estate mortgage	EZGY (2014) No. 2-48
8	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	ECQZEZ No. 130834387
	42070000-2019 EZ(D)Z NO. 0002	Real estate mortgage	EZGY (2014) No. 2-49
9	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	E (2018) Ezhou Real Estate No. 0037173
10	42070000-2019 EZ(D)Z No. 0002	Industrial land use rights	EZGY (2013) No. 2-50
11	42070000-2019 EZ(D)Z No. 0002	Land use rights for commercial and residential land	EZGY (2011) No. 2-75
12	42070000-2019 EZ(D)Z No. 0002	Real estate mortgage	EZFQZGDK No. 130834192

3) Guaranteed loans

Borrowing unit	Loan unit	Borrowing balance	Guarantor
Wuhan Credit Risk Management Finance Guarantee Co., Ltd.	Bohai International Trust Co., Ltd.	2,000,000,000.00	Wuhan Development Investment Co., Ltd.
Wuhan Credit Development Investment Management Co., Ltd.	Bohai International Trust Co., Ltd.	1,000,000,000.00	Wuhan Development Investment Co., Ltd.
Wuhan Development Investment Co., Ltd.	Hankou Bank Co., Ltd. Jiang'an Sub-branch	1,025,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Bank of Communications International Trust Co., Ltd.	1,000,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Huaneng Guicheng Trust Co., Ltd.	999,980,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Kunlun Trust Co., Ltd.	800,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Everbright Xinglong Trust Co., Ltd.	681,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Agricultural Development Bank of China Hubei Branch Business Department	529,424,642.34	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Chengdu Yihang Asset Management Co., Ltd.	300,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.

Borrowing unit	Loan unit	Borrowing balance	Guarantor
Wuhan Yangluo Development Co., Ltd.	Export-Import Bank of China Hubei Branch	225,053,638.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Development Investment Co., Ltd.	Yunnan International Trust Co., Ltd.	185,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Yangluo Development Co., Ltd.	China Merchants Bank Huaqiao Sub-branch	70,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Total		8,815,458,280.34	

34. Bonds payable

(1) Status of bonds payable

Item	Closing balance	Opening balance	
Bonds payable	20,818,719,860.96	12,470,255,551.99	
Total	20,818,719,860.96	12,470,255,551.99	

(2) Changes in bonds payable

Bond name	Total face value	Issuing date	Bond period
2019 Wujinkong SCP001	1,000,000,000.00	2019/8/8	270 days
20 Wujinkong SCP001	1,500,000,000.00	2020/4/20	135 days
20 Wujinkong SCP002	1,500,000,000.00	2020/8/31	120 days
20 Wujinkong SCP003	1,500,000,000.00	2020/12/18	270 days
Wuhan Financial Holdings (Group) 2016 First Corporate Bonds	1,200,000,000.00	2016/3/29	5 years
Wuhan Financial Holdings (Group) 2016 Second Corporate Bonds	800,000,000.00	2016/4/20	5 years
Epidemic Prevention and Control Debt 20 Wujin 01	600,000,000.00	2020/3/11	10 years
Epidemic Prevention and Control Debt 20 Wujin 02	400,000,000.00	2020/3/11	5+5 years
2017 Wujinkong MTN001	600,000,000.00	2017/8/21	5 years
2018 Wujinkong MTN001	600,000,000.00	2018/8/29	3 years
2020 Wujinkong MTN001	1,000,000,000.00	2020/11/5	5 years
2018 Offshore Bonds	990,620,400.00	2018/12/28	3 years
2019 Offshore Bonds	2,092,860,000.00	2019/9/16	833 days
2019 Finance Direct Financing Phase 1 (Ping An Bank Wealth Management Direct Financing)	1,250,000,000.00	2019/6/17	1.5 years
2020 Finance Direct Financing Phase 2 (Ping An Bank Wealth Management Direct Financing)	750,000,000.00	2019/6/27	1.5 years
Debt financing scheme (Huaxia Bank ZR001)	2,000,000,000.00	2019/6/28	5 years
Debt financing scheme (Zhejiang Merchants Bank RMB 1 billion)	1,000,000,000.00	2019/8/15	2 years
Debt financing scheme (Industrial Bank of China RMB 400 million, 2 years)	400,000,000.00	2020/6/20	2 years
Debt financing scheme (Hengfeng Bank ZROO RMB 4.6 billion, 3 years)	600,000,000.00	2020/9/28	3 years
Debt financing scheme (CCB RMB 500 million)	500,000,000.00	2020/11/14	718 days
Debt financing scheme (Hankou Bank RMB 750 million)	750,000,000.00	2020/12/10	2 years

Bond name	Total face value	Issuing date	Bond period
Wuhan Development Investment Co., Ltd.2020 Non-public issuance of corporate bonds (Phase I)	1,440,000,000.00	2020/4/27	5 years
Wuhan Development Investment Co., Ltd.2020Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and Control Debt)	2,560,000,000.00	2020/6/9	5 years
Gas Bonds		2019/8/8	
20 Hubei leasing debt	1,000,000,000.00	2020/4/20	36 months
20 Wuhan Trade MTN001	300,000,000.00	2020/8/31	36 months
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN002	500,000,000.00	2020/12/18	36 months
Total	26,833,480,400.00		

(Continued 1)

Bond name	Issued amount	Opening balance	Issued in current year
2019 Wujinkong SCP001	1,000,000,000.00	1,012,150,000.00	
20 Wujinkong SCP001	1,500,000,000.00		1,500,000,000.00
20 Wujinkong SCP002	1,500,000,000.00		1,500,000,000.00
20 Wujinkong SCP003	1,500,000,000.00		1,500,000,000.00
Wuhan Financial Holdings (Group) 2016 First Corporate Bonds	1,200,000,000.00	1,243,050,000.04	
Wuhan Financial Holdings (Group) 2016 Second Corporate Bonds	800,000,000.00	821,611,111.10	
Epidemic Prevention and Control Debt 20 Wujin 01	600,000,000.00		600,000,000.00
Epidemic Prevention and Control Debt 20 Wujin 02	400,000,000.00		400,000,000.00
2017 Wujinkong MTN001	600,000,000.00	610,532,666.66	
2018 Wujinkong MTN001	600,000,000.00	609,455,000.00	
2020 Wujinkong MTN001	1,000,000,000.00		1,000,000,000.00
2018 Offshore Bonds	990,620,400.00	990,620,400.00	38,624,000.00
2019 Offshore Bonds	2,092,860,000.00	2,160,530,392.85	81,600,000.00
2019 Finance Direct Financing Phase 1 (Ping An Bank Wealth Management Direct Financing)	1,250,000,000.00	1,250,000,000.00	
2020 Finance Direct Financing Phase 2 (Ping An Bank Wealth Management Direct Financing)	750,000,000.00	750,000,000.00	
Debt financing scheme (Huaxia Bank ZR001)	2,000,000,000.00	2,000,000,000.00	
Debt financing scheme (Zhejiang Merchants Bank RMB 1 billion)	1,000,000,000.00	1,022,293,333.34	
Debt financing scheme (Industrial Bank of China RMB 400 million, 2 years)	400,000,000.00		400,000,000.00
Debt financing scheme (Hengfeng Bank ZR00 RMB 4.6 billion, 3 years)	600,000,000.00		600,000,000.00
Debt financing scheme (CCB RMB 500 million)	500,000,000.00		500,000,000.00
Debt financing scheme (Hankou Bank RMB 750 million)	750,000,000.00		750,000,000.00
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase I)	1,440,000,000.00		1,440,000,000.00
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and Control Debt)	2,560,000,000.00		2,560,000,000.00

Bond name	Issued amount	Opening balance	Issued in current year
Gas Bonds		12,648.00	
20 Hubei leasing debt	1,000,000,000.00		1,000,000,000.00
20 Wuhan Trade MTN 001	300,000,000.00		300,000,000.00
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN 002	500,000,000.00		500,000,000.00
Total	26,833,480,400.00	12,470,255,551.99	14,670,224,000.00

(Continued 2)

Bond name	Interest accrued at face value	Amortization of premiums and discounts	Repaid in current year	Closing balance
2019 Wujinkong SCP001	10,988,611.11		1,023,138,611.11	
20 Wujinkong SCP001	10,984,931.51		1,510,984,931.51	
20 Wujinkong SCP002	14,794,520.55		1,514,794,520.55	
20 Wujinkong SCP003	2,216,666.67			1,502,216,666.67
Wuhan Financial Holdings (Group) 2016 First Corporate Bonds	32,316,666.64		42,000,000.00	1,233,366,666.68
Wuhan Financial Holdings (Group) 2016 Second Corporate Bonds	29,909,777.78		29,477,555.55	822,043,333.33
Epidemic Prevention and Control Debt 20 Wujin 01	25,604,000.00			625,604,000.00
Epidemic Prevention and Control Debt 20 Wujin 02	12,958,222.21			412,958,222.21
2017 Wujinkong MTN001	32,029,666.67		31,080,000.00	611,482,333.33
2018 Wujinkong MTN001	28,752,500.00		27,900,000.00	610,307,500.00
2020 Wujinkong MTN001	7,679,166.67			1,007,679,166.67
2018 Offshore Bonds	56,164,990.20		158,873,590.20	926,535,800.00
2019 Offshore Bonds	118,658,430.00		369,483,626.40	1,991,305,196.45
2019 Finance Direct Financing Phase 1 (Ping An Bank Wealth Management Direct Financing)	74,979,166.66		1,324,979,166.66	
2020 Finance Direct Financing Phase 2 (Ping An Bank Wealth Management Direct Financing)	44,987,500.00		794,987,500.00	
Debt financing scheme (Huaxia Bank ZR001)	147,439,269.41		142,595,068.49	2,004,844,200.92
Debt financing scheme (Zhejiang Merchants Bank RMB 1 billion)	63,570,833.33		62,700,000.00	1,023,164,166.67
Debt financing scheme (Industrial Bank of China RMB 400 million, 2 years)	10,023,333.34		9,455,000.00	400,568,333.34
Debt financing scheme (Hengfeng Bank ZR00 RMB 4.6 billion, 3 years)	6,160,000.00			606,160,000.00
Debt financing scheme (CCB RMB 500 million)	3,538,888.89		2,672,222.22	500,866,666.67
Debt financing scheme (Hankou Bank RMB 750 million)	1,748,958.33			751,748,958.33
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase I)	1,243,200.00	-6,480,000.00		1,434,763,200.00
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and	2,210,133.32	-11,520,000.00		2,550,690,133.32

Bond name	Interest accrued at face value	Amortization of premiums and discounts	Repaid in current year	Closing balance
Control Debt)				
Gas Bonds				12,648.00
20 Hubei leasing debt	7,350,000.00	-4,947,331.63		1,002,402,668.37
20 Wuhan Trade MTN001				300,000,000.00
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN002				500,000,000.00
Total	746,309,433.29	-22,947,331.63	7,045,121,792.69	20,818,719,860.96

35. Long-term payables

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Long-term payables	3,374,566,441.74	4,021,919,023.83	3,888,436,192.52	3,508,049,273.05
Special payables	39,005,907.89	30,210,000.00	8,960,000.00	60,255,907.89
Total	3,413,572,349.63	4,052,129,023.83	3,897,396,192.52	3,568,305,180.94

(1) Top 5 long-term payables by closing balance

Item	Closing balance	Opening balance
Total	2,042,608,986.92	1,254,067,722.03
Haitong Unitrust International Leasing Co., Ltd.	738,700,617.95	854,067,722.03
Xinda Financial Leasing Co., Ltd.	347,977,857.80	
Wuxi Caitong Finance Leasing Co., Ltd	338,830,445.65	
Guotai Leasing Co., Ltd	317,100,065.52	
China Foreign Trade Financial Leasing Co., Ltd	300,000,000.00	400,000,000.00

(2) Top 5 special payables by closing balance

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Total	38,516,353.41	26,810,000.00	5,560,000.00	59,766,353.41
Including:				
Special appropriation	29,618,549.87			29,618,549.87
Demolition funds		20,000,000.00		20,000,000.00
Special fund for warehouse construction	5,415,827.54	6,810,000.00	5,560,000.00	6,665,827.54
Entrusted loan by Municipal Finance Bureau	2,001,976.00			2,001,976.00
Entrusted investment by Municipal Finance Bureau	1,480,000.00			1,480,000.00

Note: The special appropriation was received by the construction investment company before 2005 from the "local capital construction fund" of Wuhan Finance Bureau.

36. Long-term employee benefits payable

Item		Increase in current year	Decrease in current year	Closing balance
I. Post employment benefits - defined benefit plan net liabilities				
II. Dismissal benefits				
III. Other long-term benefits		42,810,991.63		42,810,991.63
total		42,810,991.63		42,810,991.63

37. Provisions

Item	Opening balance	nce Increase in current Decrease in cu year year		Closing balance
External guarantees	25,916,103.09			25,916,103.09
Pending litigation		4,746,260.58	2,323,544.74	2,422,715.84
Total	25,916,103.09	4,746,260.58	2,323,544.74	28,338,818.93

38. Deferred income

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Government subsidies for new energy vehicles	201,520,624.80		41,102,500.08	160,418,124.72
Trust remuneration	76,190,667.83	36,293,068.80	76,190,667.83	36,293,068.80
Meatpacking- Logistics standardization government grants	28,015,714.28		2,498,571.43	25,517,142.85
Meatpacking- Government grants for infrastructure projects	2,000,000.00			2,000,000.00
Changlian-Unrealized sale and leaseback gains or losses	3,580,995.70		3,391,914.51	189,081.19
Grain and oil - management system construction project subsidies		220,000.00		220,000.00
Grain and oil - government grants for infrastructure projects	40,040,146.90	5,748,600.00	1,193,490.77	44,595,256.13
Total	351,348,149.51	42,261,668.80	124,377,144.62	269,232,673.69

39. Other non-current liabilities

Item	Closing balance	Opening balance
Meatpacking-Government subsidies	17,119,732.00	17,119,732.00
Total	17,119,732.00	17,119,732.00

40. Paid-in capital

	Opening ba	lance	Increase in current year current	Closing balance		
Investor	Investment amount	Proportion (%)			Investment amount	Proportion (%)
State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government	4,030,000,000.00	100.00	280,963,080.16		4,310,963,080.16	100.00

	Opening ba	lance	Increase in current year	Closing balance		ance
Investor	Investment amount	Proportion (%)		Decrease in current year	Investment amount	Proportion (%)
Total	4,030,000,000.00	100.00	280,963,080.16		4,310,963,080.16	100.00

Note: State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government's "the Reply on the Wuhan Financial Holdings (Group) Co., Ltd. to increase the registered capital" with the number of WGZCQ [2020] No. 26 agreed: the Company will increase the registered capital from RMB 4 billion to RMB 10 billion. In accordance with the requirements of the document, the Company transferred part of its capital reserve to capital this year, and the total capital reserve transferred to capital was RMB 280,963,080.16, including RMB 80.7336 million of capital reserve formed from the appraisal and appreciation of the restructured equity interest of Wuhan Construction Investors Company, a subsidiary; RMB 200.2295 million of capital reserve formed from the equity interest transferred from the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government to the Financial Control Group without compensation.

41. Other equity instruments

David varia		Opening		Increase in current year		
Bond name	Amount	Book value	Amount	Book value		
2017 Wujinkong MTN002 with the term of 5+N years		1,000,000,000.00				
2018 Wujinkong MTN002 with the term of 3+N years		1,000,000,000.00				
2019 Wujinkong MTN001 with the term of 3+N years		2,100,000,000.00				
2020 Wujin Y1 Renewable corporate bonds				500,000,000.00		
Total		4,100,000,000.00		500,000,000.00		

(Continued)

Bond name	Decrea	se in current year	Closing balance	
вопа пате	Amount	Book value	Amount	Book value
2017 Wujinkong MTN002 with the term of 5+N years				1,000,000,000.00
2018 Wujinkong MTN002 with the term of 3+N years				1,000,000,000.00
2019 Wujinkong MTN001 with the term of 3+N years				2,100,000,000.00
2020 Wujin Y1 Renewable corporate bonds				500,000,000.00
Total			_	4,600,000,000.00

42. Capital reserve

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Capital (or equity) premium				
II. Other capital reserve	6,937,578,020.56	12,429,757.65	308,493,900.16	6,641,513,878.05
Total	6,937,578,020.56	12,429,757.65	308,493,900.16	6,641,513,878.05
Including: State-owned exclusive capital reserve				

Note: 1. State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government's "the Reply on the Wuhan Financial Holdings (Group) Co., Ltd. to increase the registered capital" with the number of WGZCQ [2020] No. 26 agreed: the Company will increase the registered capital from RMB 4 billion to RMB 10 billion. In accordance with the requirements of the document, the Company transferred part of its capital reserve to capital this year, and the total capital reserve transferred to capital was RMB 280,963,080.16, including RMB 80.7336 million of capital reserve formed from the appraisal and appreciation of the restructured equity interest of Wuhan Construction Investors Company, a subsidiary; RMB 200.2295 million of capital reserve formed from the equity interest transferred from the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government to the Financial Control Group without compensation.

43. Special reserve

ltem	Opening balance	Increase in current year	Decrease in current year	Closing balance
Safety production cost	3,117,081.50			3,117,081.50
Total	3,117,081.50			3,117,081.50

44. Surplus reserve

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserve	22,372,098.54			22,372,098.54
Total	22,372,098.54			22,372,098.54

45. General risk reserve

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
General risk reserve	443,994,028.47	206,061,975.69		650,056,004.16
Total	443,994,028.47	206,061,975.69		650,056,004.16

46. Retained earnings

ltem	Amount in current year	Amount in previous year
Before adjustments retained earnings at the end of the previous year	3,390,490,736.30	2,994,774,973.54
Adjustment of total retained earnings at the beginning of the period		-4,211,275.01
Adjustment to retained earnings at beginning of the period	3,390,490,736.30	2,990,563,698.53
Increase in current year	1,387,999,843.25	789,790,398.44
Including: Transfer of net profit for the year	1,387,999,843.25	789,790,398.44
Other adjustment factors		
Decrease in current year	450,391,975.69	389,863,360.67
Including: Appropriation of surplus reserve in current year		
Appropriation of general risk reserve in current year	206,061,975.69	156,003,360.67
Cash dividends distributed in current year	244,330,000.00	233,860,000.00
Capital reserve converted to share capital		

Item	Amount in current year	Amount in previous year
Other decrease		
Closing balance in current year	4,328,098,603.86	3,390,490,736.30

Note: See Note V. (3) for details of the reasons for opening adjustments.

47. Operating income and operating cost

(1) Operating income and cost

	Incurred in cu	rrent year
Item	Income	Cost
Financial services sector	6,372,293,670.95	1,305,422,679.27
Industry sector	32,610,599,154.31	31,410,036,647.48
Total	38,982,892,825.26	32,715,459,326.75

(Continued)

ltem	Incurred in previous year	
item	Income	Cost
Financial services sector	6,653,271,000.45	1,239,583,042.26
Industry sector	41,475,330,415.11	39,121,848,357.5
Total	48,128,601,415.56	40,361,431,399.76

48. Selling expenses, administrative expenses, R&D expenses, financial expenses

(1) Selling expenses

Item	Amount in current year	Amount in previous year
Packaging costs	26,417.51	
Transport costs	27,069,790.18	89,906,520.63
Loading and unloading charges	3,501,889.04	5,196,972.35
Warehousing and storage	29,560,192.53	11,415,562.23
Insurance costs	1,506,457.73	546,791.25
Advertising costs	1,938,657.88	3,083,261.85
Sales and service costs	8,050,334.73	11,509,696.50
Employee benefits	74,003,116.63	86,536,862.04
Operating expenses	1,020,608.42	69,865,498.57
Depreciation	86,637,382.66	67,866,967.44
Repair costs	880,727.94	1,260,819.71
Sample and product wear and tear	5,626,639.62	2,299.20
Others	92,553,862.34	59,495,362.03
Total	332,376,077.21	406,686,613.80

(2) Administrative expenses

Item	Amount in current year	Amount in previous year
Employee benefits	870,135,242.42	905,179,961.91

ltem	Amount in current year	Amount in previous year
Insurance costs	911,070.18	7,283,171.65
Depreciation	76,833,898.17	82,431,263.06
Repairs and maintenance	17,601,118.75	16,200,102.53
Amortization of intangible assets	29,762,313.12	28,522,614.63
Inventory losses	20,181.18	12,009.10
Business entertainment expenses	7,174,974.60	10,706,472.90
Travel expenses	12,827,833.66	22,115,838.17
Office expenses	16,362,021.36	17,969,268.89
Conference expenses	1,402,713.12	1,360,043.87
Litigation expenses	7,611,644.84	1,619,128.18
Intermediary fees	64,907,427.51	45,342,024.35
Consulting fees	21,302,114.80	53,960,390.70
Board fees	307,054.04	-1,389,957.32
Sewerage Fee	2,149,094.52	1,192,289.34
Property management fees	24,294,944.91	38,167,511.80
Entrusted Management Fee	16,226.88	20,763.20
Retiree fees	220,766.32	1,701,329.85
Tendering fees	68,139.05	249,697.56
Party building work expenses	1,109,184.70	5,127,655.26
Enterprise culture construction expenses	113,894.52	127,066.92
Publicity and administrative expenses	6,439,071.07	5,726,644.07
Safety production expenses	2,316,505.16	1,679,620.86
Leasing fees	33,624,414.66	39,898,681.52
Disability employment guarantee fund	214,878.71	635,787.38
Low-value consumables	1,422,708.99	4,000,154.25
Service fees	1,121,407.07	297,919.81
Labour protection fees	70,576.36	4,267,495.94
Publicity fee	2,902,780.99	6,915,380.87
Outlets, supermarket costs		15,161,048.37
Amortization expenses		86,851.95
Utilities		10,041,932.56
Security service fees		2,316,701.64
Transportation costs	513,439.98	3,106,697.69

Item	Amount in current year	Amount in previous year
Renovation and maintenance costs		622,354.25
Communication costs		1,216,597.18
Others	168,176,046.77	72,400,433.36
Total	1,371,933,688.41	1,406,272,948.25

Note: Administrative expenses other mainly represent heating expenses, promotional expenses, administrative overheads and other expenses.

(3) R&D expenses

Item	Amount in current year	Amount in previous year
Smart City	4,140.00	1,232,877.93
Annual patent fees		3,960.00
R&D Projects of Wuhan Trade Holding	18,483,494.62	16,019,545.40
Laboratory testing research fees for petrochemical products		6,704,693.13
Total	18,487,634.62	23,961,076.46

(4) Financial expenses

Туре	Amount in current year	Amount in previous year
Interest expenses	4,302,437,336.62	3,424,246,439.40
Less: Interest income	319,616,834.36	204,535,767.21
Less: Net exchange gains	199,454,284.96	
Add: Net exchange losses	810,879.82	3,406,265.13
Add: Handling charges	49,909,796.24	63,686,933.18
Add: Other	216,288,087.03	15,971,103.28
Total	4,050,374,980.39	3,302,774,973.78

49. Other income

Item	Amount in current year	Amount in previous year
Corporate income tax refunds	11,028,905.56	9,243,904.24
VAT refunds	7,565,049.92	5,298,372.10
Amount for VAT plus deduction	5,391,494.78	530,239.50
VAT plus deduction	4,637.96	52,213.61
2019 Hongshan District software and information service industry special funds		5,120,004.86
Subsidy for stabilizing jobs	3,766,108.93	576,300.00
Long-distance passenger transport real-name system management subsidies with awards by the Economic Development and Urban-Rural Development Bureau		200,000.00
Subsidy for high-tech enterprise recognition in Hongshan District, Wuhan in 2018		50,000.00

Item	Amount in current year	Amount in previous year
Subsidy for cultivating enterprises by Science and Technology Bureau		32,133.38
Other tax rebates and exemptions	3,203,899.48	117,813.87
Epidemic prevention subsidy	7,849,989.43	
Subsidy for individual business start-up guarantee	3,071,000.00	
Registration fee for real estate right refund	10,450.00	
personal tax handling fee refunds	830,293.25	670,561.42
Work-based training subsidy	430,000.00	
Subsidy for trade and distribution enterprises to ensure supply by the Commerce Bureau	1,341,321.30	
Subsidy for canteen and pork reserve costs	62,011,450.35	31,325,000.00
Financial interest subsidy		147,416.54
Financial subsidies	1,922,569.85	31,563,591.45
Management fee for military supply operations allocated by the provincial bureau	1,600,000.00	
Amortization of compensation for land concessions	599,720.00	
Collection of special incentives for the development of the logistics industry at the municipal level in 2020	200,000.00	
Collection of subsidies for increased expenditure on epidemic prevention from the State Capital Committee	780,000.00	
Collection of special incentives for the development of the logistics industry at the municipal level for the year 2020	200,000.00	
Subsidy for food subsidies	34,777,629.24	
High-tech subsidy	100,000.00	
Test fee subsidy	1,315.00	
Subsidy for small and medium enterprises	7,300.00	
Special funds for key logistics enterprises (Wuhan Jiangan District Urban Management and Law Enforcement Bureau) / Subsidy for staff training on behalf of employees	273,359.58	
Others	80,657.30	45,338.06
Total	147,047,151.93	84,972,889.03

50. Investment income

Source of investment income	Amount in current year	Amount in previous year
Income arising from long-term equity investments under the equity method	61,723,557.70	524,117,629.23
Investment income arising from disposal of long-term equity investments	-6,158,268.20	20,882,872.37
Investment income over the period of holding financial assets measured at fair value through profit or loss		8,180,205.41
Investment income arising from disposal of financial assets measured at fair value through profit or loss	1,185,514.90	-1,431,724.57
Investment income over the period of holding held-to-maturity investments		1,093,698.62
Investment income arising from disposal of held-to-maturity investments		
Investment income over the period of holding available-for-sale financial assets	2,014,699,307.09	80,891,349.34
Investment income arising from disposal of available-for-sale financial assets	3,421,361.19	17,698,244.00

Source of investment income	Amount in current year	Amount in previous year
Gain arising from remeasurement of equity at fair value upon acquisition of control		
Gain arising from remeasurement of remaining equity at fair value after loss of control		
Other	101,436,634.52	380,637,470.89
Total	2,176,308,107.20	1,032,069,745.29

Note: 1. The investment income from available-for-sale financial assets was mainly attributable to the significant impact of the increase in the Group's shareholding in Wuhan Rural Commercial Bank Co., Ltd. ("Wuhan Rural Commercial Bank") as a result of the execution and acquisition of the debtor's equity interest in Wuhan Kanglong Taizi Jiuxuan Co., Ltd. As a result, the equity interests in Wuhan Agricultural and Commercial Bank held by Atomic Company Wuhan Electric Power Development Co., Ltd. and Wuhan Small and Medium Enterprises Credit and Financing Guarantee Co., Ltd. which were included in available-for-sale financial assets and measured at fair value, were transferred to the equity method of accounting for long-term equity investments and the cumulative amount of changes in fair value included in other comprehensive income was transferred to investment income.

(2) Other investment income mainly represents income from trust investments.

51. Income from change in fair value

Source of income from change in fair value	Amount in current year	Amount in previous year
Financial assets at fair value through profit or loss	-6,660,366.94	4,088,460.61
Other	-1,957,540.00	6,074,020.00
Total	-8,617,906.94	10,162,480.61

Note: Other represents the change in fair value of futures purchased for a subsidiary, Wuhan Changsha Jiang'ou Vegetable Oil Co., Ltd.

52. Impairment loss of assets

Item	Amount in current year	Amount in previous year
Bad debt losses	-636,098,425.30	-502,823,754.91
Inventory depreciation losses		-2,273,443.34
Impairment losses of held-to-maturity investments		256,251.20
Impairment provision for fixed assets	-15,235.81	
Impairment loss on goodwill	-156,701,411.28	
Total	-792,815,072.39	-504,840,947.05

53. Income from disposal of assets

Item	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
Income from disposal of held-for-sale disposal groups	316,366,045.86	195,332,215.75	316,366,045.86
Income from disposal of non-current assets	997,580.58	8,484,654.31	997,580.58

ltem	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
Including: Income from disposal of non-current assets classified as held-for-sale	-545,936.13	15,067.96	-545,936.13
Including: Income from disposal of fixed assets	-545,936.13	15,067.96	-545,936.13
Income from disposal of non-current assets not classified as held-for-sale	1,543,516.71	8,469,586.35	1,543,516.71
Including: Income from disposal of fixed assets	1,543,516.71	8,469,586.35	1,543,516.71
Total	317,363,626.44	203,816,870.06	317,363,626.44

54. Non-operating income

ltem	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
Gains from the damage and retirement of non-current assets	1,224,178.76	194,697.92	1,224,178.76
Proceeds from debt restructuring	209,806.71		209,806.71
Donations received	65,428.50		65,428.50
Government grants not related to the daily activities of the business	12,442,470.99	27,220,579.13	12,442,470.99
Penalties	904,160.00	7,250.00	904,160.00
Refunds from the Tax Bureau	31,363.72	3,285.69	31,363.72
Income from rental defaults	18,404.14	925,902.90	18,404.14
Compensation income		17,179,234.93	
Rental income from offsetting assets	2,104,366.01	6,814,660.90	2,104,366.01
Difference between initial investment cost and fair value of Wuhan Credit Microfinance Co., Ltd.'s investment in Agricultural and Commercial Bank upon conversion to equity method accounting	75,744,240.00		75,744,240.00
Debt not required to be paid	1,436,616.19		1,436,616.19
Profit from inventory	5,616.60	97,401.60	5,616.60
Safety production rectification funds	50,000.00		50,000.00
Subsidy income	684,000.00		684,000.00
Other	6,178,182.32	13,705,535.83	6,178,182.32
Total	101,098,833.94	66,148,548.90	101,098,833.94

Details of government grants:

Item	Amount in current year	Amount in previous year
Settlement incentives	7,500,000.00	7,500,000.00
Receive the High-tech Zone settlement incentive	255,000.00	
Financial assistance for network costs		10,685.00
Allocation of funds from the municipal epidemic prevention and control command	20,000.00	

Item	Amount in current year	Amount in previous year
Financial subsidies for special loans for epidemic prevention and control	8,896.00	
Service industry "small into regulation" policy cash rewards		50,000.00
Subsidy for the special development of foreign trade and economic cooperation in Hubei Province (provincial special)		1,834.86
Commerce Bureau zero-breaking award	6,000.00	
Subsidy for land acquisition for oil product upgrading and deep processing series projects from the Development Zone Finance Bureau		8,007,800.00
Subsidy for 2018 traditional industry transformation and upgrading project funds		800,000.00
Enterprise incentive funds		4,436,025.31
Special financial subsidies and incentive funds	91,149.56	30,000.00
Subsidies for enterprises in difficulty	100,000.00	
Government subsidies for logistics standardization	2,498,571.43	
Rewards for key enterprises of the Five Hundred Projects	1,500,000.00	
Government subsidies for profits	2,000.00	
Subsidies for emergency supplies reserve		13,055.20
Safety Supervision Bureau to pay for the prevention of work-related injuries		194,637.92
Receiving the bonus for the city's famous trademark from the District Finance Bureau		97,401.60
Funds for projects in oil-producing counties		85,051.01
Settlement incentive		120,000.00
Wuhan Jianghan District Development and Reform Commission small and micro enterprises incentive funds		1,223,571.43
Subsidy for electric boiler		1,144,000.00
Job stabilization subsidy		3,119,876.80
Amortization of land grant compensation		386,640.00
Others	460,854.00	
Total	12,442,470.99	27,220,579.13

55. Non-operating expenses

Item	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
Losses on the damage and retirement of non-current assets	1,178,200.33	1,573,666.19	1,178,200.33
Debt restructuring losses			
Loss on external donations	32,212,374.19	2,037,577.00	32,212,374.19
Fine expenses, late payment fees	1,182,459.86	380,082.79	1,182,459.86
Damages, liquidated damages	-465,725.22	6,181.54	-465,725.22
Other expenses	2,464,156.98	2,262,677.09	2,464,156.98
Total	36,571,466.14	6,260,184.61	36,571,466.14

Note: The negative amount of indemnities and defaults for the year is due to the reversal of the indemnities accrued in the previous period in respect of the Jiangshan Construction case by the subsidiary Dalian Shengfa Real Estate Co., Ltd.

- 56. Income tax expenses
- (1) Income tax expenses

Item	Amount in current year	Amount in previous year
Current income tax expenses	791,487,448.73	741,640,200.87
Deferred tax adjustments	-79,961,723.78	-112,771,940.25
Other		-3,088,214.35
Total	711,525,724.95	625,780,046.27

- 57. Other comprehensive income attributable to owners of the parent company
- (1) Details of other comprehensive income items and their income tax impacts and transfer to profit or loss

	Amount in current year		ar
ltem	Amount before tax	Income tax	Net amount after tax
Other comprehensive income that cannot be reclassified into profit or loss			
Remeasurement of changes in net liabilities or net assets of defined benefit plans			
Shares in other comprehensive income that cannot be reclassified into profit or loss in the invested company under the equity method			
3.Other			
II. Other comprehensive income that will be reclassified into profit or loss	-1,625,895,911.85	-399,925,608.44	-1,225,970,303.41
Shares in other comprehensive income that will be reclassified into profit or loss in the invested company under the equity method	-26,193,478.11		-26,193,478.11
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	-26,193,478.11		-26,193,478.11
Profit or loss from changes in the fair value of available-for-sale financial assets	-1,591,650,299.12	-397,912,574.78	-1,193,737,724.34
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	-1,591,650,299.12	-397,912,574.78	-1,193,737,724.34
3. Profit or loss from reclassification of held-to-maturity investments to available-for-sale financial assets			
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal			
Cash flow hedge reserve (effective portion of profit or loss on cash flow hedges) Adjustment amount converted into initial recognition amount of hedged item			
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			

	Amount in current year		ar
Item	Amount before tax	Income tax	Net amount after tax
Subtotal			
5. Translation difference of foreign currency financial statements	-8,052,134.62	-2,013,033.66	-6,039,100.96
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	-8,052,134.62	-2,013,033.66	-6,039,100.96
6. Other			
Less: Transferred to other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal			
III. Total other comprehensive income	-1,625,895,911.85	-399,925,608.44	-1,225,970,303.41

(Continued)

	Amount in previous year		year
ltem	Amount before tax	Income tax	Net amount after tax
I. Other comprehensive income that cannot be reclassified into profit or loss			
Remeasurement of changes in net liabilities or net assets of defined benefit plans			
2. Shares in other comprehensive income that cannot be reclassified into profit or loss in the invested company under the equity method			
3.Other			
II. Other comprehensive income that will be reclassified into profit or loss	104,053,254.89	26,013,313.73	78,039,941.16
1. Shares in other comprehensive income that will be reclassified into profit or loss in the invested company under the equity method	3,431,611.28	857,902.82	2,573,708.46
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	3,431,611.28	857,902.82	2,573,708.46
2. Profit or loss from changes in the fair value of available-for-sale financial assets	125,460,884.50	31,365,221.13	94,095,663.37
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	125,460,884.50	31,365,221.13	94,095,663.37
3. Profit or loss from reclassification of held-to-maturity investments to available-for-sale financial assets			
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal			
4. Cash flow hedge reserve (effective portion of profit or loss on cash flow hedges)			
Adjustment amount converted into initial recognition amount of hedged item			
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal			
5. Translation difference of foreign currency financial statements	-24,839,240.89	-6,209,810.22	-18,629,430.67

	Amount in previous year		
Item	Amount before tax		Net amount after tax
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	-24,839,240.89	-6,209,810.22	-18,629,430.67
6. Other			
Less: Transferred to other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal			
III. Total other comprehensive income	104,053,254.89	26,013,313.73	78,039,941.16

(2) Adjustment of other comprehensive income items

Item	Closing balance of previous year	Change in the previous year	Opening balance of the year
Remeasurement of changes in defined benefit plans			
Other comprehensive income that cannot be transferred to profit or loss under the equity method			
Other comprehensive income that can be transferred to profit or loss under the equity method	71,966,913.46	2,573,708.46	74,540,621.92
Profit or loss from changes in the fair value of available-for-sale financial assets	1,046,580,534.94	94,095,663.37	1,140,676,198.31
Profit or loss from reclassification of held-to-maturity investments to available-for-sale financial assets			
Cash flow hedge reserve (effective portion of profit or loss on cash flow hedges)			
Translation difference of foreign currency financial statements	-2,134,901.20	-18,629,430.67	-20,764,331.87
Other			
Total	1,116,412,547.20	78,039,941.16	1,194,452,488.36

(Continued)

ltem	Change in the year	Closing balance in current year
Remeasurement of changes in defined benefit plans		
Other comprehensive income that cannot be transferred to profit or loss under the equity method		
Other comprehensive income that can be transferred to profit or loss under the equity method	-26,193,478.11	48,347,143.81
Profit or loss from changes in the fair value of available-for-sale financial assets	-1,193,737,724.34	-53,061,526.03
Profit or loss from reclassification of held-to-maturity investments to available-for-sale financial assets		
Cash flow hedge reserve (effective portion of profit or loss on cash flow hedges)		
Translation difference of foreign currency financial statements	-6,039,100.96	-26,803,432.83
Other		
Total	-1,225,970,303.41	-31,517,815.05

58. Cash flow statements

(1) Supplementary information of consolidated cash flow statement

Item	Amount in current year	Amount in previous year
Adjustment from net profits to cash flows from operating activities		
Consolidated net profits	1,543,209,445.71	1,739,334,876.93
Add: Provision for impairment of assets	792,815,072.39	504,840,947.05
Impairment loss of credit (New financial standards)		
Depreciation of fixed assets, oil and gas assets and productive biological assets	414,845,084.19	514,723,726.59
Amortization of intangible assets	33,094,302.69	37,330,228.61
Amortization of long-term prepayments	29,383,748.04	21,493,628.00
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")	-317,363,626.44	-203,801,203.06
Losses on scrap of fixed assets (gains marked with "-")	-45,978.43	123,441.88
Losses on changes in fair values (gains marked with "-")	8,617,906.94	-10,162,480.61
Financial expenses (gains marked with "-")	4,302,437,336.62	3,381,346,008.34
Investment losses (gains marked with "-")	-2,176,308,107.20	-1,032,069,745.29
Decrease in deferred tax assets (increase marked with "-")	-79,028,820.24	-113,840,130.31
Increase in deferred tax liabilities (decrease marked with "-")	-99,001,192.82	27,586,801.53
Decrease in inventories (increase marked with "-")	-30,898,671.23	1,466,389,253.08
Decrease in operating receivables (increase marked with "-")	-36,951,912,295.10	3,521,818,777.70
Increase in operating payables (decrease marked with "-")	30,311,318,003.18	-8,019,611,972.04
Other		
Net cash flow from operating activities	-2,218,837,791.70	1,835,502,158.40
2. Significant investing and financing activities that do not involve cash receipts and payment		
Transfer of debt to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents		
Closing balance of cash	10,293,028,835.86	11,408,165,239.69
Less: Opening balance of cash	11,408,165,239.69	8,317,206,869.73
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-1,115,136,403.83	3,090,958,369.96

Note: The amounts of some items in the supplementary information of the consolidated cash flow statement do not reconcile with the data in the consolidated balance sheet and the consolidated income statement, mainly due to the new inclusion in the consolidation of three

real estate companies acquired by the subsidiary Wuhan Credit Investment Group Co., Ltd. through a business combination not under common control and a subsidiary acquired by Wuhan Credit Risk Management Finance Guarantee Co., Ltd. through a business combination not under common control.

(2) Cash paid for acquisition of subsidiaries and received from disposal of subsidiaries in current year

Item	Amount in current year
I. Cash and cash equivalents paid in current year arising from business combinations incurred in current year	1,865,203,129.41
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	944,858.75
Add: Cash and cash equivalents paid in current year arising from business combinations incurred in the previous years	
Net cash paid for acquisition of subsidiaries	1,864,258,270.66
II. Cash or cash equivalents received in current year from disposal of subsidiaries in the current year	
Less: Cash and cash equivalents held by subsidiaries on the date of losing control	
Add: Cash or cash equivalents received in current year from disposal of subsidiaries in previous years	

Note: During the year, Wuhan Credit Investment Group Co., Ltd., a subsidiary, paid cash of RMB 1,577,004,589.41 to Dalian Friendship (Group) Co., Ltd. for the purchase of 100% equity interests in its wholly-owned subsidiaries, Dalian Shengfa Real Estate Co., Ltd., Handan Faxing Real Estate Development Co., Ltd. and Shenyang Xingshi Real Estate Development Co., Ltd. Subsidiary Wuhan Credit Risk Management Finance Guarantee Co., Ltd. paid cash of RMB 288,198,540.00 for the purchase of 90% equity interest in Wuhan Finance Leasing Co., Ltd. The three real estate companies held cash of RMB 665,240.66 at the purchase date and Wuhan Finance Leasing Co., Ltd. held cash of RMB 279,618.09 at the purchase date.

(3) Cash and cash equivalents

Item	Closing balance	Opening balance
Cash	10,293,028,835.86	11,408,165,239.69
Including: Cash on hand	2,677,975.16	7,345,862.75
Bank deposits readily available for payment	9,681,501,779.63	11,306,573,180.3
Other cash and cash equivalents readily available for payment	608,849,081.07	94,246,196.64
Central bank deposits available for payment		
Deposits in other banks		
Interbank payments		
Cash equivalents		
Including: Bond investments due within 3 months		
Closing balance of cash and cash equivalents	10,293,028,835.86	11,408,165,239.69
Including: Restricted cash and cash equivalents used by the parent company and the subsidiaries of the Group		

59. Foreign currency monetary items

Item	Closing balance of foreign currency	Conversion rate	Closing balance of RMB converted
Cash and cash equivalents			13,608,535.83
Including: USD	1,947,331.11	6.52	12,706,140.63
EUR	112,448.00	8.03	902,395.20

IX. Contingencies

1. The Group's guarantees for the Other unit as of December 31st, 2020

Guarantee unit	Guaranteed units	Nature of guaranteed units
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Airport Economic Development Zone Industrial	Wholly state-owned
wullali Filialiciai Holdings (Group) Co., Ltd.	Development Investment Group Limited	company

(Continued)

Guarantee unit	Total amount guaranteed	Overdue amount	Status of guaranteed units
Wuhan Financial Holdings (Group) Co., Ltd.	1,450,000,000.00		Normal operation

- 2. Pending litigation, arbitration formation of the Group as of December 31st, 2020
- (1) Wuhan Tianli Daoguan Water Supply Co., Ltd.

A subsidiary of the Group, Wuhan Credit Microfinance Co., Ltd. (hereinafter referred to as "Wuxin Microfinance Company"), provided a loan of RMB 5.0 million to Wuhan Tianli Daoguan Water Supply Co., Ltd. from December 19th 2014 to March 19th 2015. Upon the expiry of the loan, Wuhan Tianli Daoguan Water Supply Co., Ltd. failed to repay the loan as expected, so Wuxin Microfinance Company filed a lawsuit against it. The Jiangan District People's Court filed the case on August 10th 2020. During the first instance proceedings, the court learned that one of the defendants, a natural person, Fan Yaosheng, had died and the case was suspended on December 28th 2020 and resumed after all of Fan Yaosheng's heirs were added to the proceedings.

(2) Wuhan Yinghua Real Estate Co., Ltd.

Wuxin Microfinance Company provided a loan facility of RMB 400 million to Wuhan Yuze Real Estate Development Co., Ltd. in February 2015 with a term of 36 months from February 3rd 2015 to February 3rd 2018. Wuhan Yinghua Real Estate Co., Ltd. The maximum amount of mortgage was guaranteed and registered in favour of Wuhan Yuze Real Estate Development Co., Ltd. by the land use rights in its name located in Yedian Village, Panlongcheng Economic Developing Zone, Huangpo District. In August 2019, Wuhan Yinghua Real Estate Co., Ltd. argued that the above loan facilities had been settled and filed a lawsuit against Wuxin Microfinance Company in the Wuhan Jiangan District People's Court, seeking cancellation of the mortgage registration and demanding Wuxin Microfinance Company to pay it RMB 12.5 million for breach of contract. The Wuhan Jiangan District People's Court handed down judgment No. (2019) E0102 Civil No. 11196 on December 30th 2020, ruling that Wuxin Microfinance Company assisted Yinghua in completing the cancellation of mortgage registration of the mortgage and bearing the case acceptance fee. Wuxin Microfinance Company did not accept the judgment and has appealed to the Wuhan Intermediate People's Court, and the case is currently being litigated in the second instance.

(3) Shenyang Shiji Hengtong Photo-Electric Engineering Co., Ltd.

Shenyang Shiji Hengtong Photo-Electric Engineering Co., Ltd. provided night lighting works for the Shenyang Youyi Times Square project of Shenyang Xingshi Real Estate Development Co., Ltd., a subsidiary of the Group, and entered into the Contract Engagement Letter on March 1st 2016 and agreed that the provisional contract amount RMB 3.38 million and Shenyang Starshi Real Estate Development Co., Ltd. has paid RMB 1,450,164.90 for the project. Due to the contract dispute, Shenyang Shiji Hengtong Photo-Electric Engineering Co., Ltd. filed a lawsuit with Shenyang Shenhe District People's Court on June 23rd 2020 for the payment of the remaining project amount of more than RMB 1.82 million. The first instance judgment of the case has been issued and has been appealed and is currently in the second instance proceedings.

(4) Qiu Laizhong

Qiu Laizhong purchased a property from Dalian Shengfa Real Estate Co., Ltd., a subsidiary of the Group, and entered into a contract on June 17th 2014 and paid a deposit of RMB 1 million. Due to a dispute over the delivery of the property, Qiu Laizhong filed a lawsuit with the Zhongshan District People's Court of Dalian City for a double refund of the deposit. On December 18th 2020, the Court handed down Judgment No. (2020) L 0202 Civil 4033, ruling that Dalian Shengfa Real Estate Co., Ltd. returned the deposit of RMB 2 million to Qiu Laizhong on a double basis and bore the costs of the case. Dalian Shengfa is not satisfied and has filed an appeal.

(5) Dalian Friendship Group Co., Ltd.

Dalian Friendship Group Co., Ltd. (hereinafter referred to as "Friendship Group") was formerly the controlling shareholder of Dalian Friendship (Group) Co., Ltd. In May 2016, Friendship Group entered into an agreement with Wuhan Credit Investment Group Co., Ltd.("Wuxin Investment Group"), a subsidiary of the Group, and Wuhan Kaisheng Economic and Trade Development Co., Ltd. ("Kaisheng Economic and Trade"), whereby Friendship Group transferred 28.06% of the shares in Dalian Friendship to Wuxin Investment Holdings (Shenzhen) Co., Ltd., a subsidiary established by Wuxin Investment Group Co., Ltd.("Wuxin Investment Group") and Wuhan Kaisheng Economic and Trade Development Co., Ltd. Friendship Group considered that Wuxin Investment Holdings and its relevant shareholders had not fully performed in accordance with the terms of the agreement and were in serious breach of the agreement, and requested Wuxin Investment Group and Wuhan Kaisheng Trade to pay the outstanding consideration of RMB 1.136 billion and a late payment fee of RMB 193 million. In October 2020, the Dalian Intermediate People's Court issued Judgment No. (2019) L02 Civil 949 of the First Instance, awarding Wuxin Investment Holdings (Shenzhen) Co., Ltd. to pay the outstanding transaction consideration of the Friendship Group together with the corresponding interest.

During the trial of the case, the court of first instance seriously departed from the objective facts and turned a blind eye to the contractual agreement of a "24-month" period for the performance of the asset swap. Without any factual basis or contractual agreement, the Court subjectively held that Wuxin Investment Holdings should still perform its obligation to facilitate the asset swap even after the expiry of the asset swap period, and rendered a judgment in the first instance.

Wuxin Investment Group, Wuxin Investment Holding (Shenzhen) Co., Ltd. and Kaisheng Economic and Trade did not recognize the result of the first trial and immediately filed an appeal, and the second trial has now been held on March 17th 2021.

(6) Jin Guizhen, Gong Chaoxia, Chen Yongquan and others

Wuhan Venture Guarantee Co., Ltd., a subsidiary of the Group, made 10 payments of financial subsidies to Hankow Bank on behalf of 10 households, including Jin Guizhen, Gong Chaoxia and Chen Yongquan, totalling RMB 133,961.84 on November 29th 2019. And then the 10 households were sued in December 2020.

(7) Hubei Wuhan Xinxiuli Slimming Beauty Co., Ltd., Wuhan Kaku Entertainment Co., Ltd., Wuhan Xinbaohui Trading Co., Ltd.

Hubei Wuhan Xinxiuli Slimming Beauty Co., Ltd., Wuhan Kaku Entertainment Co., Ltd. and Wuhan Xinbaohui Trading Co., Ltd. all entered into loan contracts with Huaxia Bank The credit risk companies provided guarantees for each of these three companies. Due to the failure of the three companies to repay the loan at the expiry of the contract, the Credit Risk Company has paid RMB 7,662,539.77 to Huaxia Bank in lieu of the loan and subsequently filed a lawsuit with the court. The credit risk company has now applied for pre-litigation property preservation and the court has seized some of the properties of the joint and several responsible persons, including Kanglong Taizi. The case is currently in the pre-litigation preservation stage.

(8) Wuhan Donghu Prince Food Co., Ltd., Wuhan Kang Long Tai Zi Restaurant Co., Ltd.

Donghu Prince Company and Kanglong Tai Zi Company entered into a loan contract with Hankou Bank and Credit Risk Company provided a guarantee. Upon the maturity of the loan, the Credit Risk Company paid Hankou Bank a sum of RMB 3,446,675.07 and RMB 2,583,952.89 in lieu of the loan, before filing a lawsuit in court. The credit risk company has now applied for pre-litigation property preservation and the court has seized some of the properties of Jiangan Taizi and other jointly and severally liable persons. The case is currently in the pre-litigation preservation stage.

(9) Wuhan Donghu Prince Food Co., Ltd.

Kanglong Taizi Company entered into a loan contract with China Everbright Bank and was guaranteed by Wuhan Credit Finance Guarantee (Group) Co., Ltd. (hereinafter referred to as "Guarantee Group Company") Upon the expiry of the contract, the Guarantee Group Company paid RMB 2,593,407.33 to Everbright Bank in lieu of the loan, and subsequently filed a lawsuit in court. The guarantee group company has now applied for pre-litigation property preservation and the court has seized part of the property of Jiangan Taizi and other jointly and severally liable persons. The case is currently in the pre-litigation preservation stage.

(10) Wuhan Donghu Prince Food Co., Ltd., Wuhan Construction Taizi Gourmet Co., Ltd., Wuhan Jintong Taizi Gourmet Co., Ltd., Wuhan Junyue Hongyuan Industrial Co., Ltd.

Wuhan Donghu Prince Food Co., Ltd., Wuhan Construction Taizi Gourmet Co., Ltd., Wuhan Jintong Taizi Gourmet Co., Ltd. entered into loan contracts with China Merchants Bank. Wuhan Junyue Hongyuan Industrial Co., Ltd. entered into a loan contract with Bank of Communications and Wuhan Small and Medium Enterprises Credit Financing Guarantee Co., Ltd. (hereinafter referred to as "SME Guarantee Company") provided guarantee for each of them. Upon maturity of the loans, SME Guarantee Company has paid RMB 2,880,339.04, RMB 2,413,677.09, RMB 1,011,032.74 and RMB 7,283,315.61 to China Merchants Bank and Bank of Communications respectively, totalling RMB 13,588,364.48, before filing a lawsuit in court. The SME Guarantee Company has now applied for pre-litigation property preservation, and the court has seized part of the property of Chen Xuemei, Kanglong Taizi Company and other jointly and severally liable persons. The case is currently in the pre-litigation preservation stage.

- (11) Subsidiary Wuhan Commercial Storage and Transportation Co., Ltd. Litigation Matters
- ① On February 18th 2014 and June 15th 2014, Wuhan Commercial Storage and Transportation Co., Ltd. ("Storage and Transportation Company") entered into the "Jilin Bank Auto Finance Network Financing Pledge Supervision Agreement" with Jilin Bank Limited Changchun FAW Sub-branch ("Jilin Bank FAW Sub-branch"), Nanjing Guotong Automobile Sales Co., Ltd. ("Nanjing Guotong Company") and Jilin Bank FAW Sub-branch, Nanjing Hongteng Automobile Sales and Service Co., Ltd.("Nanjing Hongteng Company") respectively. The agreement provided for the supervision of the vehicles pledged by Nanjing Guotong and Nanjing Hongteng to Jilin Bank FAW Sub-branch. On October 28th 2014, the pledged vehicles were forcibly transferred by a third party and the storage and transportation company promptly notified the relevant person in charge of the FAW Sub-branch of Jilin Bank and took alarm measures.

After the incident, Jilin Bank FAW Branch considered that the storage and transportation company failed to fulfill its supervisory responsibility resulting in the absence of the pledged vehicle, which prevented it from receiving priority payment in respect of the pledged property, and therefore sued the Changchun Intermediate People's Court on October 24th 2016 and March 13th 2017, requesting the storage and transportation company to compensate for losses of RMB 17,368,065.20 (Nanjing Guotong case), RMB 17,837,481.46 (Nanjing Hongteng case)

In May 2017, the storage and transportation company entrusted the lawyer of Jilin Kaisheng Law Firm as the entrusted agent of the above two cases, and attended the first hearing on May 23rd 2017 and the second hearing on March 19th 2018 respectively.

On April 20th 2018, the Changchun Intermediate People's Court handed down a civil judgment on the Nanjing Hongteng case (2017) J01 Civil Judgment No. 289, which reads: "The defendant Wuhan Commercial Storage and Transportation Co., Ltd., after enforcement by the People's Court against the third-party Nanjing Hongteng Automobile Sales Co., Ltd. The plaintiff, Jilin Bank Co., Ltd, Changchun FAW Sub-branch, still cannot be paid for the part of the claim, bear 20% of the supplementary liability, the limit of liability is RMB 1,093,496.20, and reject the other litigation requests of the plaintiff, Jilin Bank Co., Ltd. If the plaintiff fails to perform the obligation to pay money within the period specified in this judgment, the plaintiff shall pay double the interest for the period of delayed performance in accordance with the provisions of Article 253 of "the Civil Procedure Law of the People's Republic of China". The costs of the case shall be RMB 128,825.00, RMB 120,928.00 to be borne by the plaintiff Jilin Bank Co., Ltd Changchun FAW Sub-branch and RMB 7,897.00 to be borne by the defendant Wuhan Commercial Storage and Transportation Co., Ltd.

On May 20th 2018, the Changchun Intermediate People's Court rendered Civil Judgment 2017 J01 Minchu No. 290, which reads: "The defendant, Wuhan Commercial Storage and Transportation Co., Ltd. after the People's Court enforced enforcement against the third party, Nanjing Guotong Automobile Sales Co., Ltd. the plaintiff, Jilin Bank Co., Ltd, Changchun FAW Sub-branch, still cannot be paid for the portion of the claim, bears 20% of the supplementary liability, with a liability limit of RMB 609,062.40. The plaintiff, Jilin Bank Co., Ltd, Changchun FAW Sub-branch's other claims are rejected. If the plaintiff fails to perform its obligation to pay money within the period specified in this judgment, it shall pay double the interest for the period of delayed performance in accordance with the provisions of Article 253 of "the Civil Procedure Law of the People's Republic of China". The case fee of RMB 126,009.00 shall be borne by the defendant Wuhan Commercial Storage and Transportation Co., Ltd. for RMB 4,410.00 and the plaintiff Jilin Bank Co., Ltd. for RMB 121,599.00."

In June 2018, the storage and transportation company and Jilin Bank FAW Branch both appealed the above decision to the Jilin Provincial High People's Court, and the Jilin Kaisheng

Law Firm, as the second trial agent of the above two cases, has sent the appeal materials of the storage and transportation company to the People's Court, but the court has not yet organized a hearing.

The Nanjing Hongteng case was concluded in August 2019 and the first instance verdict was upheld, assuming 20% supplementary liability for the unpaid portion of the claim of Jilin Bank FAW Branch (with a liability limit of RMB 1,093,500) and Nanjing Guotong case was concluded in August 2019 and the first instance verdict was upheld, assuming 20% supplementary liability for the unpaid portion of the claim of Jilin Bank FAW Branch (with a liability limit of RMB 609,100)), which is not yet enforced.

② On June 4th 2013, the storage and transportation company signed two "Chattel Pledge Supervision Cooperation Agreements" with Pingdingshan Chengbicheng Industrial Development Co., Ltd. ("Chengbicheng Company") and Ruzhou Wantong Coal Co., Ltd. ("Wantong Company") respectively. ("Wantong"), which agreed that the storage and transportation company would act as the agent of the lending bank to supervise the pledges. The agreement annexed to the "fee agreement" states that the fee is RMB 420,000 yuan/year, to be paid first and then supervised, once a month during any extension period of the agreement, with less than one month paid according to one month.

After the signing of the agreement, Chengbicheng and Wantong paid the supervision fee of RMB 420,000 for the first year respectively. After the expiry of the one-year supervision period, by oral consensus of the three parties, Chengbicheng paid the supervision fee of RMB 270,000 in advance to the storage and transportation company on June 13th 2014, but there was no written document that Wantong entrusted Chengbicheng with the payment or that Chengbicheng voluntarily paid the supervision fee for Wantong. On September 9th 2014, the lending bank notified the storage and transportation company in writing of the release from supervision and the storage and transportation company withdrew from supervision on September 10th 2014. Since then, Chengbicheng has repeatedly claimed the refund of the prepaid supervision fee from the storage and transportation company.

On November 30th 2017, Chengbicheng filed a lawsuit with Wuchang District People's Court, case number (2018) E0106 Civil No. 1735. The storage and transportation company appointed a lawyer from Hubei Qianshun Law Firm as the attorney for the above case. before the hearing, the storage and transportation company applied for the addition of Wantong Company as a third party to participate in the litigation. on October 22nd 2018, the case was heard for the first time. Due to the complexity of the case, the court indicated that a second hearing would be arranged.

The case was concluded in September 2019 with the return of regulatory fees of RMB 130,000 to the plaintiff Pingdingshan Chengbicheng Industrial Development Co., Ltd. and the dismissal of other litigation by the plaintiff Pingdingshan Chengbicheng Industrial Development Co., Ltd. The case is currently pending.

- (12) Subsidiary, Wuhan Qiaokou Tianhua Microfinance Co., Ltd. ("Tianhua Microfinance") Litigation Matters
- ① On November 10th 2013, the borrower, Li Bin, signed a loan contract with Tianhua Microfinance for RMB 5,000,000.00. The contract stipulated that the term of the loan was from November 11th 2013 to December 10th 2013, and the monthly interest rate for the contract period was 1.86%. After the expiry of the contract, the borrower had not yet repaid the principal and interest of the loan, and Tianhua Microfinance entrusted Shanghai Bangxinyang Zhongjian Zhonghui (Wuhan) Law Firm to file a lawsuit to Qiaokou District People's Court, demanding the borrower to repay the principal and the corresponding interest according to the contract. In the first instance, one of the defendants (Ding Chigong, the

guarantor of the case) requested an appraisal of the signatures and fingerprints on the guarantee contract, but the court of first instance did not agree to the appraisal, and then the court ruled in favour of Tianhua Microfinance, and the defendant appealed, and the court of second instance sent the case back for retrial. The case is still in progress. The case is still in the process of being heard.

(2) On May 5th 2015, the borrowers Li Yun and Sun Zhiyu entered into a loan contract of RMB600,000.00 with Tianhua Microfinance, which provided for a borrowing period of 6 months, a monthly interest rate of 1.78% and an overdue interest rate of 3.56%, and Tianhua Microfinance entered into a Mortgage Contract with Zhou Wangxian and Mr. and Mrs. Li Binglin (Li Yun's parents), using the property in Li Binglin's name located at Room 1, 3rd floor, Unit 1, Building 3, Young Beauty Lodge, Phase I, Xianggeli Jiayuan, Jiangan District to provide mortgage security for the principal amount of the above-mentioned loan and interest and other expenses, and the mortgage was registered [WFTZSZ No. 2015006196]. Upon the expiry of the loan, the borrower failed to repay the loan in full and on time. on December 28th 2017, Tianhua Microfinance and the borrower entered into "the Loan Extension Agreement" and agreed to extend the repayment term of the outstanding loan of RMB 540,000 to May 5th 2018. The mortgagor, Li Binglin, died in April 2017 and the mortgagor, Zhou Wangxian (wife of Li Binglin), agreed to continue to provide security by way of mortgage on the said house. After the loan was due once again, our company repeatedly urged the borrower to repay the loan, but the borrower has not been able to do so. Later, we added Li Yun's sister, Li Jian, as a defendant. On December 31st 2019, we served Sun Zhiyu and Li Jian with a copy of the indictment, a notice of the rights and obligations of the parties, a notice of the burden of proof, a risk reminder, a notice of the composition of the panel and a summons to the court by notice of the People's Court. The case is still in the process of being heard.

Apart from the existence of the above contingencies, the Group has no other material contingencies as at December 31st 2020.

X. Events after the balance sheet date

- 1. On February 24th 2021, the Company issued the first tranche of medium-term notes for 2021 in a public offering. The final result of the bond issue was a normal 3-year RMB1 billion with a coupon rate of 4.5%.
- 2. The Group' s third-tier company, Wuhan Xinneng Industrial Development Co., Ltd. ("Wuhan Xinneng Industrial") and Xinyu Haoyue Information Technology Co., Ltd. ("Xinyu Haoyue"), the controlling shareholder of Hangjin Technology Co., Ltd. ("Hangjin Technology"), signed a debt restructuring agreement on September 16th 2020. Xinyu Haoyue transferred 113,363,924 shares of Hangjin Technology held by Xinyu Haoyue to Wuhan Xineng Industrial at a price of RMB 2,810,291,666.67 by way of an agreed transfer. Upon completion of the debt restructuring, Wuhan Xineng Industry held 113,363,924 shares in Hangjin Technology, representing 16.43% of the total share capital. On January 26th 2021, Xinyu Haoyue completed the release of the pledge of the equity interests in Hangjin Technology transferred under the agreement and registered the transfer, changing the controlling shareholder of Hangjin Technology to Wuhan Xineng Industrial Development Company Limited and the actual controller to Wuhan Municipal People's Government State-owned Assets Supervision and Administration Commission.
- 3. The impact of the relocation of the anti-infective pharmaceutical production line on the company's operations

Due to the imminent expiry of the Group's GMP, the entire production line of the Group's anti-infective lyophilisation workshop located at No. 12 Jiang'an Road, Jiang'an District, Wuhan was relocated to the site of its subsidiary Hubei Changlian Dule Pharmaceutical Co., Ltd. in

January 2021. The corresponding drug manufacturing license was registered on November 18th 2020, adding the manufacturing address: Building 180 (0012), Yixing Avenue, Yiling District, Yichang City, Hubei Province. By the end of January 2021, the production line has been installed and commissioned to achieve normal operation for production and delivery.

Yichang has certain regional advantages in terms of land, labour and unit cost of utilities compared to Wuhan. The establishment of Changlian Dule's Yichang plant as the overall pharmaceutical production base of Changlian Laifu, with centralized testing, production and sewage, and the sharing of production and management resources to complement each other and give full play to the scale effect, is conducive to saving management and production costs. The relocation will not have any sustainable impact on the production and operation capacity of the Company.

XI. Related party relationships and their transactions

- 1. Related party relationships
- (1) Controlling shareholders and ultimate controlling parties

The controlling shareholder and ultimate controlling party of the Company are State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government.

(2) Subsidiaries

Name of subsidiaries	Place of registrati on	Nature of business	Registered capital	Sharehol ding ratio (%)	Voting ratio (%)
Wuhan Development & Investment Co., Ltd.	Wuhan	Investment and development	3,000,000,000.00	100.00	100.00
Wuhan Traffic Construction Investment Co., Ltd.	Wuhan	Construction of transportation infrastructure projects, operation and management	353,000,000.00	100.00	100.00
Wuhan Industry Investment Co., Ltd.	Wuhan	Investment and development	379,198,107.00	100.00	100.00
Wuhan Construction Investment Co., Ltd.	Wuhan	Local construction investment and development	220,000,000.00	100.00	100.00
Wuhan Yangtze River Economy United Development Co., Ltd.	Wuhan	Investment, development	408,858,118.00	93.11	93.11
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Wuhan	Investment and development of the grain logistics industry	331,000,000.00	100.00	100.00
Wuhan Yangluo Development Co., Ltd.	Wuhan	Investment in development zone construction	465,000,000.00	100.00	100.00
Wuhan Financial Assets Exchange Co., Ltd.	Wuhan	Financial assets transaction and consultation	120,000,000.00	75.00	75.00
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	Wuhan	Supply chain management	1,000,000,000.00	100.00	100.00
Wuhan Yangtze Financial Services Co., Ltd.	Wuhan	Financial information data processing services; financial software technology development, ect.	300,000,000.00	80.00	80.00
Wuhan Rongwei Escort Security Service Co., Ltd.	Wuhan	Provide escorts and vault guarding services of cash, securities, gold, silver, jewelry and other valuables for financial institutions	100,000,000.00	100.00	100.00
Hubei Financial Leasing Co., Ltd.	Wuhan	Capital leasing business; transfer and assignment of financial leasing assets; interbank lending; borrowing from financial institutions; overseas borrowing; sale and disposal of leased property, etc.	3,000,000,000.00	49.00	49.00
Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	Wuhan	Wholesale and retail of petroleum products, technology development, technology transfer	50,000,000.00	33.00	100.00

Name of subsidiaries	Place of registrati	Nature of business	Registered capital	Sharehol ding ratio (%)	Voting ratio (%)
Guotong Trust Co., Ltd.	Wuhan	Fund trust; movable property trust; real estate trust; securities trust; other property or property right trust	3,200,000,000.00	67.51	67.51
Wuhan International Exchange Service Centre (consolidated)	Wuhan	Air passenger and freight sales agency business; education, culture and economic advisory services	6,000,000.00	100.00	100.00
Wuhan Yangluo Port Services Co., Ltd.	Wuhan	Cargo handling, loading and unloading services, cargo stowage information consulting services, warehousing services	70,000,000.00	60.00	60.00
Wuhan Yangtze Asset Management Co., Ltd.	Wuhan	Acquisition, management and disposal of assets	144,200,000.00	100.00	100.00
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan	Management and investment of state-owned assets	670,000,000.00	51.00	51.00

(3) Joint ventures and associates

For details of joint ventures and associates of the Group, see Note VIII (12) Information related to disclosure of long-term equity investments.

(4) Other related parties

	Type of relationship	Name of related party	Main transaction content
1.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party		
2.	Jointly-controlled investors		
3.	Investors with significant impact		
4.	Other related parties	Dalian Friendship (Group) Co., Ltd.	Related transaction
		Wuxin Investment Holdings (Shenzhen) Co., Ltd.	Related transaction
		Wuhan Credit Real Estate Co., Ltd.	Related transaction
		Wuxin Industrial Development (Shenzhen) Co., Ltd.	Related transaction
		Wuhan Wuxin Tianyu Information Industry Co., Ltd.	Related transaction
		Shenzhen Wuxin Innovation Equity Investment Fund Management Co., Ltd.	Related transaction
		Wuhan High-tech Thermal Power Co., Ltd.	Related transaction
		Wuhan Guofa Investment Management Group Corporation	Related transaction
		Hubei Fengjiashan Silicon Fiber Co., Ltd.	Related transaction
		Wuhan Yijing Jiangnan Real Estate Co., Ltd.	Related transaction
		Huangshi Decheng Industry Group Co., Ltd.	Related transaction
		Wuhan Changxin Logistics Development Co., Ltd	Related transaction
		Wuhan Hanpeng Real Estate Development Co., Ltd.	Related transaction
		Wuhan Jundian Real Estate Co., Ltd.	Related transaction
		Wuhan Chengtong Logistics Co., Ltd.	Related transaction
		Wuhan Shaou Food Marketing Co., Ltd.	Related transaction

Type of relationship	Name of related party	Main transaction content
	Kunming Baoxiang Wantun Cold Storage and Logistics Co., Ltd.	Related transaction
	Wuhan Cultural Products Development Co., Ltd.	Related transaction
	Wuhan Diansheng Real Estate Development Co., Ltd.	Related transaction
	Hubei Diantong Investment Co., Ltd.	Related transaction
	Jilin Hongcheng Automobile Sales Co., Ltd.	Related transaction
	Jilin Xinhongcheng Logistics Co., Ltd.	Related transaction
	Tianjin Port Free Trade Zone Musen Logistics Co., Ltd.	Related transaction
	Wuhan Haisheng Decoration Design Engineering Co., Ltd.	Related transaction
	Wuhan Laosanji Economic and Technological Development Co., Ltd.	Related transaction
	Wuhan Cold Storage Logistics Management Co., Ltd.	Related transaction
	Wuhan AYD Furniture Street Co., Ltd.	Related transaction
	Wuhan Hailian Industry Co., Ltd.	Related transaction
	Wuhan Minzhong Investment Co., Ltd.	Related transaction
	Wuhan Zhongnan Kitchenware Co., Ltd.	Related transaction
	Wuhan Xuanding Construction Industrial Investment Co., Ltd.	Related transaction
	Wuhan Sun Property Development Co., Ltd.	Related transaction
	Chongqing Agricultural Investment Logistics Development Co., Ltd.	Related transaction
	Hubei Jiupai Venture Capital Co., Ltd.	Related transaction
	Kunming Wanton Cold Storage and Logistics Co., Ltd.	Related transaction
	Huang Jingui	Related transaction
	Guo Yan	Related transaction
	Zhang Guoli	Related transaction
	Zeng min	Related transaction
	Xiao Jianbin	Related transaction
	Yin Gangjian	Related transaction

2. Related transaction

(1) Sale of goods, provision of services

Name and time of valeted newty	202	0	2019		
Name and type of related party	Amount	Proportion (%)	Amount	Proportion (%)	
Joint ventures and associates	744,416.59	100.00	7,462,006.48	100.00	
Including: Wuhan Jundian Real Estate Co., Ltd.	66,037.74	8.87	57,547.17	0.77	
Wuhan Chengtong Logistics Co., Ltd.	273,150.94	36.69	513,207.55	6.88	

Name and true of volated name.	202	0	2019		
Name and type of related party	Amount	Proportion (%)	Amount	Proportion (%)	
Wuhan Shaou Food Marketing Co., Ltd.	405,227.91	54.44	6,891,251.76	92.35	
Total	744,416.59	100.00	7,462,006.48	100.00	

(2) Related guarantees

Guarantee entity	Guaranteed entity	Nature of the guaranteed entity	Total amount guaranteed	Overdue amount	Status of the guaranteed entity
Wuhan Development Investment Co., Ltd.	Wuhan Financial Holdings (Group) Co., Ltd.	Wholly State-Owned	950,000,000.00		Normal operations
Wuhan Development Investment Co., Ltd.	Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	Wholly State-Owned	450,000,000.00		Normal operations
Wuhan Development Investment Co., Ltd.	Wuhan Credit Risk Managrmrnt Co., Ltd.	Limited Liability Company	2,000,000,000.0 0		Normal operations
Wuhan Development Investment Co., Ltd.	Wuhan Credit Development Investment Management Co., Ltd.	Limited Liability Company	1,000,000,000.0		Normal operations
Wuhan Financial Holdings (Group) Co., Ltd., Wuhan Credit Risk Managrmrnt Co., Ltd.	Hubei Financial Leasing Co., Ltd.	Limited Liability Company	300,000,000.00		Normal operations
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Credit Risk Managrmrnt Co., Ltd.	Limited Liability Company	5,273,161,368.0 0		Normal operations
Wuhan Financial Holdings (Group) Co., Ltd., Wuhan Changjiang Optical Communication Industry Co., Ltd.	Wuhan Credit Risk Managrmrnt Co., Ltd.	Limited Liability Company	464,964,522.07		Normal operations

3. Related-party balances

(1) Receivables from related parties

No. 10 April	December	31st, 2020	December 31st, 2019		
Name and type of related party	Closing balance	Provision for bad debts	Opening balance	Provision for bad debts	
Joint ventures and associates					
Wuhan Economic and Technological Development Zone Gongtou Zhizheng Microloan Co., Ltd.			25,000,000.00		
Wuhan Gongtou Asset Management Co., Ltd.	50,000,000.00		50,000,000.00		
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	29,999,998.00		36,999,998.00		
Total	79,999,998.00		111,999,998.00		

(2) Other receivables from related parties

	December 3	31st, 2020	December 31st, 2019		
Name and type of related party	Closing balance	Provision for bad debts	Opening balance	Provision for bad debts	
Other related parties					
Including: Dalian Friendship (Group) Co., Ltd.	220,000,000.00		1,622,116,392.42		
Wuxin Investment Holdings (Shenzhen) Co., Ltd.	1,893,903,020.76	335,230,436.40	1,768,915,087.02	327,178,773.71	

No day of all to day do	December 31st, 2020		December 31st, 2019		
Name and type of related party	Closing balance	Provision for bad debts	Opening balance	Provision for bad debts	
Wuxin Industrial Development (Shenzhen) Co., Ltd.	372,000,000.00		372,000,000.00		
Wuhan Tianyu Information Industry Co., Ltd.	50,000,000.00		50,000,000.00		
Shenzhen Wuxin Innovation Equity Investment Fund Management Co., Ltd.	1,190,000.00		1,190,000.00		
Hubei Fengjiashan Silicon Fiber Co., Ltd.	47,010,806.45		46,010,806.45		
Wuhan Credit Real Estate Co., Ltd.	10,000,000.00				
Total	2,594,103,827.21	335,230,436.40	3,860,232,285.89	327,178,773.71	

(3) Other payables of related parties

Name and type of related party	Closing balance	Opening balance
Other related parties		
Including: Huangshi Decheng Industry Group Co., Ltd.	1,000,000.00	1,000,000.00
Wuhan High-tech Thermal Power Co., Ltd.	201,027.81	201,027.81
Wuhan Guofa Investment Management Group Corporation	1,499,250.00	1,499,250.00
Wuhan Yijing Jiangnan Real Estate Co., Ltd.	596,800.00	89,003,385.67
Total	3,297,077.81	91,703,663.48

XII. Notes to key items of the financial statements of the parent company

1. Accounts receivable

	Closing balance				
Туре	Book b	alance	Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable that are individually significant and are subjected to provision for bad debts on individual basis					
Accounts receivable that are subjected to provision for bad debts on credit risk characteristics portfolio basis	30,754.00	100.00			
Accounts receivable that are individually insignificant but are subjected to provision for bad debts on individual basis					
Total	30,754.00	-			

(Continued)

	Opening balance			
Туре	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable that are individually significant and are subjected to provision for bad debts on individual basis				
Accounts receivable that are subjected to provision for bad debts on credit risk characteristics portfolio basis	30,754.00	100.00		
Accounts receivable that are individually insignificant but are subjected to provision for bad debts on individual basis				
Total	30,754.00			

- (1) Accounts receivable that are subjected to provision for bad debts on credit risk characteristics portfolio basis
- 1) Accounts receivable for which provision for bad debts is made by other portfolios

	Closing balance			
Name of portfolio	Book balance	Accrual ratio (%)	Provision for bad debts	
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims, microloan business, pawn business, etc	30,754.00			
Total	30,754.00			

(Continued)

	Opening balance		
Name of portfolio	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims, microloan business, pawn business, etc	30,754.00		
Total	30,754.00	-	

(2) Top 5 accounts receivable by closing balance collected by debtors

Name of debtor	Book balance	Ratio to total accounts receivable (%)	Provision for bad debts
Wuhan Chensheng Mining Investment Co., Ltd.	30,754.00	100.00	
Total	30,754.00	100.00	

2. Other receivables

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	13,749,257,377.29	8,834,532,885.54
Total	13,749,257,377.29	8,834,532,885.54

(1) Other receivables

	Closing balance				
Туре	Book balance	Provision for bad debts			
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables that are individually significant and are subjected to provision for bad debts on individual basis					
Other receivables that are subjected to provision for bad debts on credit risk characteristics portfolio basis	13,749,257,377.29	100.00			
Other receivables that are individually insignificant but are subjected to provision for bad debts on individual basis					
Total	13,749,257,377.29	-		-	

(Continued)

	Opening balance			
Туре	Book balanc	Book balance		bad debts
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables that are individually significant and are subjected to provision for bad debts on individual basis				
Other receivables that are subjected to provision for bad debts on credit risk characteristics portfolio basis	8,864,532,885.54	100.00	30,000,000.00	0.34
Other receivables that are individually insignificant but are subjected to provision for bad debts on individual basis				
Total	8,864,532,885.54		30,000,000.00	

- (1) Other receivables that are subjected to provision for bad debts on credit risk characteristics portfolio basis
- 1) Other receivables for which provision for bad debts is made by aging analysis method

Aging	Closing balance			
	Amount	Proportion (%)	Provision for bad debts	
Within 1 year (included)				
1—2 years				
2—3 years				
3—4 years				
4—5 years				
Above 5 years				
Total				

(Continued)

Acina	Opening balance				
Aging	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (included)					
1—2 years					
2—3 years					
3—4 years					
4—5 years					
Above 5 years	30,000,000.00	100.00	30,000,000.00		
Total	30,000,000.00	100.00	30,000,000.00		

2) Other receivables for which provision for bad debts is made by other portfolios

Name of portfolio	Closing balance		
	Amount	Accrual ratio (%)	Provision for bad debts
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims, microloan business, pawn business, etc	702,786,276.76		
Portfolio 3 receivables and employee reserves between related companies	13,046,471,100.53		
Total	13,749,257,377.29		

(Continued)

Name of portfolio	Opening balance			
	Amount	Accrual ratio (%)	Provision for bad debts	
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims, microloan business, pawn business, etc	1,214,301,896.50			
Portfolio 3 receivables and employee reserves between related companies	7,620,230,989.04			
Total	8,834,532,885.54			

(2) Top five other receivables by closing balance collected by debtors

Name of debtor	Name of payment	Book balance	Aging	Ratio to total other accounts receivable (%)	Provision for bad debts
Wuhan Development Investment Co., Ltd.	Related party transactions	8,519,912,299.53	Within 1 year-2 years	61.97	
Wuhan Guotong Trust and Investment Co., Ltd.	Related party transactions	1,500,000,000.00	Within 1 year	10.91	
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	Related party transactions	683,261,691.67	Within 1 year	4.97	
Wuhan Credit Risk Managrmrnt Co., Ltd.	Related party transactions	511,277,868.78	Within 1 year-3 years	3.72	
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Related party transactions	498,058,888.89	Within 1 year-3 years	3.62	
Total		11,712,510,748.87		85.19	

3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Investments in subsidiaries	15,316,727,331.37	300,000,000.00	500,000,000.00	15,116,727,331.37
Investment in joint ventures				
Investments in associates	4,705,540,526.82	110,361,529.89	189,284,546.41	4,626,617,510.30
Subtotal	20,022,267,858.19	410,361,529.89	689,284,546.41	19,743,344,841.67

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Less: Provision for impairment of long-term equity investments				
Total	20,022,267,858.19	410,361,529.89	689,284,546.41	19,743,344,841.67

(2) Details of long-term equity investments

				Changes in current year		
Investee	Investment costs	Opening balance	Added investment	Reduced investment	Investment gains and losses recognized under the equity method	
I. Joint ventures						
II. Associates	2,526,120,776.27	4,705,540,526.82			-5,937,298.33	
China Eastern Airlines Wuhan Co., Ltd.	847,409,126.97	900,274,657.83			-110,179,228.53	
Hankou Bank Co., Ltd.	1,457,984,536.00	3,507,090,812.80			99,856,352.00	
Wuhan Yangtze Communications Industry Group Co., Ltd.	130,213,327.22	227,772,404.79			8,258,200.00	
Wuhan Yangtze Semiconductor Lighting Technology Co., Ltd.	50,000,000.00	25,649,428.70			-392,861.80	
Y.U.D. Yangtze River Investment Industry Co., Ltd.	40,513,786.08	44,753,222.70			-3,479,760.00	
Total	2,526,120,776.27	4,705,540,526.82			-5,937,298.33	

(Continued)

	Changes in current year			
Investee	Adjustments to other comprehensive income	Changes in other equity	Cash dividends or profits declared	
I. Joint ventures				
II. Associates	-14,391,701.31	133,504.80	58,727,521.68	
China Eastern Airlines Wuhan Co., Ltd.	2,113,473.09			
Hankou Bank Co., Ltd.	-16,505,174.40	133,504.80	56,645,399.88	
Wuhan Yangtze Communications Industry Group Co., Ltd.			2,082,121.80	
Wuhan Yangtze Semiconductor Lighting Technology Co., Ltd.				
Y.U.D. Yangtze River Investment Industry Co., Ltd.				
Total	-14,391,701.31	133,504.80	58,727,521.68	

(Continued)

lavestee	Changes in current year		Clasina balansa	Closing balance of	
Investee	Provision for impairment	Other	Closing balance	provision for impairment	
I. Joint ventures					

- Investor	Changes in current year		Clasina halana	Closing balance of
Investee	Provision for impairment	Other	Closing balance	provision for impairment
II. Associates			4,626,617,510.30	
China Eastern Airlines Wuhan Co., Ltd.			792,208,902.39	
Hankou Bank Co., Ltd.			3,533,930,095.32	
Wuhan Yangtze Communications Industry Group Co., Ltd.			233,948,482.99	
Wuhan Yangtze Semiconductor Lighting Technology Co., Ltd.			25,256,566.90	
Y.U.D. Yangtze River Investment Industry Co., Ltd.			41,273,462.70	
Total			4,626,617,510.30	

4. Operating income and cost

14	Amount in current year		Amount in previous year	
Item	Income	Cost	Income	Cost
(1) Subtotal of main businesses	392,892,821.41		56,992,598.92	
Including: Income from financial services	364,385,758.17		51,612,735.83	
Income from asset management	2,094,339.62		2,094,339.62	
Rental income	1,884,421.72		3,285,523.47	
Interest income on loans	24,528,301.90			
Subtotal of other businesses	1,979,896.91		1,867,478.49	
Including: Partnership management fees	1,979,896.91		1,867,478.49	
Total	394,872,718.32		58,860,077.41	

5. Investment income

Income arising from long-term equity investments under the equity method	Amount in current year	Amount in previous year
Investment income arising from disposal of long-term equity investments	-5,937,298.33	329,055,319.94
Investment income over the period of holding financial assets measured at fair value through profit or loss	10,000,000.00	
Investment income arising from disposal of financial assets measured at fair value through profit or loss		3,354.00
Investment income over the period of holding held-to-maturity investments	103,278.44	
Investment income arising from disposal of held-to-maturity investments		
Investment income over the period of holding available-for-sale financial assets	12,120,943.89	2,639,672.60
Investment income arising from disposal of available-for-sale financial assets		
Gain arising from remeasurement of remaining equity at fair value after loss of control		
Other	130,427,265.43	397,831,852.03
Total	146,714,189.43	729,530,198.57

Note: Other items mainly represent dividends received by the Company from its subsidiaries.

6. Parent company's cash flow statement

(1) Supplementary information of parent company's cash flow statement

Item	Amount in current year	Amount in previous year
1. Adjustment from net profits to cash flows from operating activities		
Net profits	-79,561,008.77	-6,977,928.74
Add: Provision for impairment of assets	-30,000,000.00	
Impairment loss of credit assets		
Depreciation of fixed assets, oil and gas assets and productive biological assets	5,948,246.47	6,058,551.35
Amortization of intangible assets		
Amortization of long-term prepayments		
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")		1,055,819.98
Losses on scrap of fixed assets (gains marked with "-")		
Losses on changes in fair values (gains marked with "-")	24,510.00	-12,172.03
Financial expenses (gains marked with "-")	710,656,373.46	634,811,384.52
Investment losses (gains marked with "-")	-146,714,189.43	-729,530,198.57
Decrease in deferred tax assets (increase marked with "-")		
Increase in deferred tax liabilities (decrease marked with "-")		
Decrease in inventories (increase marked with "-")		8,278.00
Decrease in operating receivables (increase marked with "-")	-4,511,822,086.55	-3,769,065,471.07
Increase in operating payables (decrease marked with "-")	238,433,291.79	1,746,755,698.06
Other		
Net cash flow from operating activities	-3,813,034,863.03	-2,116,896,038.50
Significant investing and financing activities that do not involve cash receipts and payment		
Transfer of debt to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents		
Closing balance of cash	2,699,519,184.19	2,870,747,888.56
Less: Opening balance of cash	2,870,747,888.56	2,016,054,274.52
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-171,228,704.37	854,693,614.04

(2) Cash and cash equivalents of the parent company

Item	Closing balance	Opening balance
Cash	2,699,519,184.19	2,870,747,888.56
Including: Cash on hand		
Bank deposits readily available for payment	2,192,189,353.34	2,866,448,954.41
Other cash and cash equivalents readily available for payment	507,329,830.85	4,298,934.15
Central bank deposits available for payment		
Deposits in other banks		v.
Interbank payments		
Cash equivalents		7 30
Including: Bond investments due within 3 months		
Closing balance of cash and cash equivalents	2,699,519,184.19	2,870,747,888.56
Including: Restricted cash and cash equivalents used by the parent company and the subsidiaries of the Group		

XIII. Other disclosures required under the relevant financial accounting system

None.

XIV. Approval of Financial Statements

The Group's financial statements for 2020 have been approved by the Company's Board of Directors.

Wuhan Financial Holdings (Group) Co., Ltd.

April 25th, 2021

2021

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信永中和会计师事务所(特殊普通合伙)

特殊普通合伙企业

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2012年03月02日 至 2042年03月01日 图 票 纹 QΠ

北京市东城区朝阳门北大街8号富华大厦A座8层 要经营场所 #

米 村 记 胸

目 审查企业会计报表,出具审计报告,验证企业资本,出具 验资报告,办理企业合并、分立、清算事宜中的审计业 务、出具有关报告,基本建设年度财务决算审计,代理记 账,会计咨询、税务咨询、管理咨询、会计培训,法律、 法规规定的其他业务。(市场主体依法自主选择经营项 目、开展经营活动,依法须经批准的项目,经相关部门批 准后依批准的内容开展经营活动,不得从事国家和本市产 业政策禁止和限制类项目的经营活动。)

国家企业信用信息公示系统网址:http://www.gsxt.gov.cn



会计师事务所

执业证书

称: 信永中和会计师事务所(特殊普通合伙)

首席合伙人: 運小青

主任会计师:

经营场所:北京市东城区朝阳门北大街8号富华大厦A座8层

组织形式:特殊普通合伙

执业证书编号: 11010136

批准执业文号: 京财会许可[2011]0056号

批准执业日期: 2011年07月07日

说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批,准予执行注册会计师法定业务的凭证。
- 《会计师事务所执业证书》记载事项发生变动的, 应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、租、出借、转让。

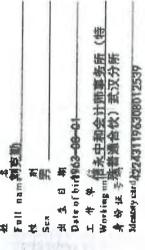
丑

4、 会计师事务所终止或执业许可注销的,应当向财政部门交回《会计师事务所执业证书》。



名







年度检验登记 Annual Renewal Registration

未证书经检验合格,维续有效一年。 This certificate is valid for another year after this renewal.

证书稿号: No of Centicane

共市注册协会: 420000773032 Authorized Institute of CPAs

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年度检验登记

Annual Renewal Registration

本证书级检验合格。据教育效一年。 This certificate is valid for another year after this renewal.

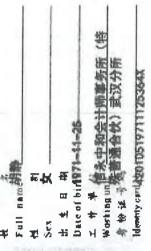


年度检验登记 Amual Renewal Registration

本证书经检验合格,维接有效一年。 This certificate is valid for another year after this renewal.

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年度检验登记 Annual Renewal Registration

本证书短检验合格,能给有效一年。 This certificate is valid for unother year after this renewal.

就 格 鶴 号: No. of Centificate

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批准注册协会: Authorized feetilizet of CPAs

发证日期: [kne of bouncy

湖北省注册会計師协会

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NAME OF THE PARTY OF THE PARTY

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Wuhan Financial Holdings (Group) Co., Ltd.

FY 2019

Independent Auditor's Report

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信永中和会计师事务所

wuhan

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Independent Auditors' Report

XYZH/2020WHSA0503

Wuhan Financial Holdings (Group) Co., Ltd.:

1. Audit opinion

We have audited the financial statements prepared by Wuhan Financial Holdings (Group) Co., Ltd. Board of directors (hereinafter referred to as "Wuhan Jinkong Group"), including the Consolidated and Parent Company's Balance Sheet as at December 31st, 2019, Consolidated and Parent Company's Income Statement, Consolidated and Parent Company's Cash Flow Statement, Consolidated and Parent Company's Statement of Change in Equity and Notes to the Financial Statements for 2019.

We believe that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all major aspects, and have fairly reflected the financial position of Wuhan Jinkong Group as at December 31st, 2019 and the operating results and cash flows of 2019.

2. Basis for the audit opinion

We have conducted our audits in accordance with the Chinese Standards on Auditing. The "Auditor's responsibility of the financial statements" section further clarifies our responsibilities under these guidelines. In accordance with the Code of Professional Ethics of Chinese Certified Public Accountants, we are independent of Wuhan Jinkong Group and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. The responsibility of the Management and those charged with governance of the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Business Enterprise to achieve a fair reflection, and designing, implementing and maintaining necessary internal controls, so that the financial statements are free from material misstatements whether due to fraud or error.

In the preparation of the financial statements, the Management is responsible for assessing the going concern capability of Wuhan Jinkong Group, disclosing matters related to going concern, and applying the going concern assumption, unless the Management plans to liquidate the Group, terminate operations, or there are no other viable options.

Those charged with governance is responsible for supervising the process of financial statements.

4. Auditor's Responsibility of the financial statements

Our objective is to achieve reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or error, and express an opinion on these financial statements based on our audit. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with the auditing standards can detect all existing material misstatements. Misstatements can be caused by fraud or error. Misstatements are generally considered to be material if the reasonable expected misstatements, individually or collectively, may affect the economic decisions made by stakeholders based on the financial statements.

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

- (1) Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence as a basis for our audit opinion. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls, the risk of failure to detect material misstatements due to fraud is higher than that due to error.
- (2) Obtain an understanding of internal control relevant to the entity's audit in order to design audit procedures that are appropriate in circumstances. However, the purpose is not to express an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by the Management.
- (4) Draw a conclusion on the appropriateness of the Management's use of the going concern assumption, and, based on the audit evidence obtained, draw a conclusion on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Wuhan Jinkong Group's ability to continue as a going concern. If we conclude that material uncertainties exist, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may cause Wuhan Jinkong Group to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content (including disclosure) of the financial statements, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
- (6) Based on the financial information about an entity or an operation of Wuhan Jinkong Group, we obtained sufficient and appropriate audit evidence to express an audit opinion on financial statements. We are responsible for guiding, supervising and implementing group audit, and fully responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the audit scope, timing, and significant audit findings, including any significant deficiencies in internal control that we have identified during the audit.



Chinese Certified Public Accountants



Chinese Certified Public Accountants



Wuhan, China

June 25th, 2020

Consolidated Balance Sheet

December 31st, 2019

Prepared by Wuhan Finan	ncial Holdings (Group) Co., Ltd.
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Unit: RMB yuan

Prepared by Wuhan Kinancial Holdings (Group) Co., Ltd.			Unit: RMB yua
◆ 大大 本 大 大 大 大 大 大 大 大 大 大 大 大 大 大 大 大 大	Note	Closing balance	Opening balance
Current Sisses:			
Can cocash equivalents	VIII. (1)	11, 751, 142, 459. 70	8, 500, 843, 643. 21
△ Provision for settlement			
\triangle Lending funds			
Financial assets at fair value through profit or loss	VIII. (2)	796, 083, 617. 51	998, 042, 192. 28
Derivative financial assets			
Notes receivable	VIII. (3)	404, 642, 433. 00	28, 744, 734. 00
Accounts receivable	VIII. (4)	930, 164, 602. 77	1, 215, 008, 108. 2
Prepayments	VIII. (5)	1, 415, 241, 979. 15	1, 692, 388, 269. 8
△ Premium receivable			
△ Reinsurance accounts receivable			
△ Reinsurance reserves receivable			
Other receivables	VIII. (6)	13, 182, 762, 664. 72	9, 780, 813, 798. 11
Δ Buying back the sale of financial assets			
Inventories	VIII. (7)	5, 516, 331, 953. 20	6, 619, 460, 119. 93
Including: Inventory		1, 728, 667. 12	710, 084, 554. 0
Goods in stock (finished goods)		1, 426, 207, 343. 80	1, 036, 196, 595. 28
Assets held for sale	VIII. (8)	8, 815, 708. 09	
Non-current assets due within 1 year			
Other current assets	VIII . (9)	33, 523, 618, 999. 96	34, 242, 915, 252. 62
Total current assets		67, 528, 804, 418.10	63, 078, 216, 118. 18
on-current assets:			
\triangle Loans and advances			
Available-for-sale financial assets	VIII. (10)	16, 188, 983, 053. 68	13, 905, 561, 232. 33
Held-to-maturity investments	VIII. (11)		83, 217, 200. 00
Long-term receivables	VIII. (12)	25, 465, 448, 774. 54	19, 452, 213, 805. 93
Long-term equity investments	VIII. (13)	7, 759, 370, 801. 46	5, 867, 289, 057. 48
Investment properties	VIII. (14)	1, 496, 516, 367. 83	1, 426, 539, 953. 66
Fixed assets	VIII. (15)	2, 984, 601, 202. 51	4, 796, 933, 090. 7
Construction in progress	VIII. (16)	2, 676, 326, 309. 59	1, 749, 089, 597. 82
Productive biological assets	VIII. (17)	1, 441, 998. 43	1, 441, 998. 43
Oil and gas assets			
Intangible assets	VIII. (18)	1, 231, 316, 292. 94	1, 568, 404, 704. 4
Development costs	VIII. (19)	338, 431. 95	338, 431. 9
Goodwill	VIII. (20)	3, 018, 735, 014. 03	3, 018, 735, 014. 03
Long-term prepayments	VIII. (21)	43, 155, 685. 52	38, 501, 612. 8
Deferred tax assets	VIII. (22)	568, 751, 531, 49	454, 911, 401. 13
Other non-current assets	VIII. (23)	2, 151, 494, 591. 66	109, 738, 654. 9
Including: Authorized reserve materials			
Total non-current assets	1	63, 586, 480, 055. 63	52, 472, 918, 755. 9
Total assets	1	131, 115, 284, 473. 73	115, 551, 134, 874. 11

Legal Relives traine:

Principal in charge of accounting:

Head of accounting department:



Consolidated Balance Sheet (continued)

December 31st, 2019

Unit: RMB year

repared by: William Financial Holdings (Group Co., Ltd.			Unit: RMB yua
	Note	Closing balance	Opening balance
current liabilities			
Shor tegator owings	VIII. (24)	3,163,359,530.91	4,757,814,868.5
△ Borrowings Hom central bank			
△ Borrowle funds			
Financial liabilities at fair value the righ profit or loss			
Derivative financial field the e			
Note payable	VIII. (25)	151,904,849.77	988,582,888
Accounts payable	VIII. (26)	490,404,766.18	1,423,419,296.0
Advances from customers	VIII. (27)	1,310,885,309.80	1,168,633,396.3
△ Financial assets sold for repurchase			
△ Deposits from customers and interbank			
△ Funds arising from acting trading of securities			
△ Funds arising from acting underwriting securities Employee benefits payable	VIII. (28)	361,207,987.71	348,000,359.
Including: Wages payable	VIII. (28)	308,988,699.35	291,099,418.
Welfare benefits payable		3,941,236.50	3,711,783.
#Including: staff and workers' bonus and welfare fund		3,341,230.30	3,711,703.
Taxes payable	VIII. (29)	1,330,442,565.93	1,555,626,774.
Including: Tax payable	VIII. (23)	1,320,211,021.01	1,544,231,834.9
Other payables	VIII. (30)	5,919,551,167.26	5,639,060,075.
△ Handling charges and commissions payable	VIII. (30)	3,313,331,107.20	3,033,000,013.
△ Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within 1 year	VIII. (31)	13,547,338,612.29	10,147,162,846.
Other current liabilities	VIII. (32)	28,788,376,699.42	23,193,843,214.
Current liabilities	(-,	55,063,471,489.27	49,222,143,720.3
Ion-current liabilities:			,,
△ Reserve for insurance contracts			
Long-term borrowings	VIII. (33)	20,408,699,114.68	20,694,502,798.6
Bonds payable	VIII. (34)	12,470,255,551.99	6,658,920,620.2
Including: Preferred shares	1		
Perpetual bonds			
Long-term payables	VIII. (35)	3,413,427,157.15	2,235,092,462.
Long-term empolyee benefits payable			
Provisions	VIII. (20)	25,916,103.09	25,916,103.0
Deferred income	VIII. (36)	351,348,149.51	368,404,735.9
Deferred tax liabilities	VIII. (37)	473,150,344.54	445,563,543.0
Other non-current liabilities	VIII. (38)	17,119,732.00	17,119,732.0
Including: Authorized reserve fund			
Non-current liabilities		37,159,916,152.96	30,445,519,994.8
Total liabilities		92,223,387,642.23	79,667,663,715.1
Owner's equity (or shareholers'equity):			
Paid-in capital (or share capital)	VIII. (39)	4,030,000,000.00	3,970,203,502.3
State-owned capital		4,030,000,000.00	3,970,203,502.3
State-owned corporate capital			
Collective capital			
Private capital			
Foreign capital			
# Less: Returned capital			
Net paid-in capital (or share capital)		4,030,000,000.00	3,970,203,502.3
Other equity instruments	VIII. (40)	4,100,000,000.00	2,000,000,000.0
Including: Preferred shares			
Perpetual bonds		4,100,000,000.00	2,000,000,000.0
Capital reserve	VIII. (41)	6,937,578,020.56	6,741,498,993.8
less: Treasury shares		1	
Other comprehensive income		1,194,452,488.36	1,116,412,547.2
Including: Translation differences of foreign currency statement		-20,764,331.87	-2,134,901.2
Special reserve	ViII. (42)	3,117,081.50	3,117,081.9
Surplus reserve	VIII. (43)	22,372,098.54	22,372,098.9
Including: Statutory provident fund		22,372,098.54	22,372,098.9
Discretionary provident fund			
# Reserve fund			
# Enterprise development fund			
# Profit repatriation investment			
△ General risk reserve	VIII. (44)	443,994,028.47	280,126,919.
Retained earnings	VIII. (45)	3,402,637,624.18	2,994,774,973.
Total owner's equity (or shareholer's equity) attributable to parent company		20,134,151,341.61	17,128,506,116.9
*Minority interests		18,757,745,489.89	18,754,965,042.
Total owner's equity (or shareholer's equity)			35,883,471,158.9
Total liabilities and owner's equity (or shareholer's equity)	0	131.115.284 473 73	115,551,134,874.
ega Representative: Principal in charge of accounting:	(- b un	ad of accounting department	213,332,137,074.
7其智好	to the	38,891,896,831.50 131,115,284,473.73 ad of accounting department:	林宋

Parent Company's Balance Sheet

December 31st, 2019

Prepared by: Wuhan Fins arral Holdings (Group) to Ltd.

Unit: RMB yuan

urrent assets:	Note	Closing balance	Opening balance
direit disets.			
Cash and cash equipments		2,870,747,888.56	2,016,054,274.5
△ Provision for selderprov			
△ Lending funds			
Financial assets at fair Value through a fofit or loss		215,860.00	203,687.9
Derivative financial assets			
Notes receivable			
Accounts receivable	XII. (1)	30,754.00	30,754.
Prepayments		682,608.34	1,950,287.
△ Premium receivable			
\triangle Reinsurance accounts receivable			
△ Reinsurance reserves receivable			
Other receivables	XII. (2)	8,848,732,885.54	5,080,989,879.
△Buying back the sale of financial assets			
Inventories		309,518.00	317,796.
Including: Inventory			
Goods in stock (finished goods)			
Assets held for sale			
Non-current assets due within 1 year			
Other current assets		2,590,144.24	
Total current assets		11,723,309,658.68	7,099,546,679.
on-current assets:			
△ Loans and advances			
Available-for-sale financial assets		6,563,128,919.82	4,237,838,944.
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	XII. (3)	20,008,067,858.19	17,182,602,199.
Investment properties			
Fixed assets	1	108,183,982.25	113,763,869.
Construction in progress			220,700,000
Productive biological assets			
Oil and gas assets			
Intangible assets			
Development costs			
Goodwill			
Long-term prepayments	1 -		
Deferred tax assets	+	64,177.50	64,177.
Other non-current assets		04,177.50	04,177
Including: Authorized reserve materials			
Total non-current assets		26,679,444,937.76	21,534,269,190.9
Total assets			28,633,815,870.
egal Representative: Principal in charge of a		38,402,754,596.44 Head of accounting depar	

Parent Company's Balance Sheet (continued)

	Y/ 1 W
Prepared by: Wohen Financial Holdin	as IGrano Ca. Ind
riebaled av vyblistismicial notuin	gs to to an Ltu

December 31st, 2019 Unit: RMB yuan **Item** Note Closing balance Opening balance Current liabili 1,800,000,000.00 1,000,000,000.00 Short-tern borrowings △ Borrowing from Contral bank △ Borrowing and Financial liabilities at fair value through posit or loss Derivative financial imbilities Note payable 296.396.10 252,492,43 Accounts payable 1,905,311.14 Advances from customers 1,209,597.60 △ Financial assets sold for repurchase △ Deposits from customers and interbank \triangle Funds arising from acting trading of securities \triangle Funds arising from acting underwriting securities 7,055,325.29 2,806,736.19 Employee benefits payable Including: Wages payable Welfare benefits payable #Including: staff and workers' bonus and welfare fund 1,733,854.40 3.311.402.53 Taxes payable Including: Tax payable 3,311,402.53 1,705,693.16 189,259,077.82 1,648,564,658.96 Other payables \triangle Handling charges and commissions payable \triangle Reinsurance accounts payable Liabilities held for sale 1,914,700,000.00 2,225,500,000.00 Non-current liabilities due within 1 year Other current liabilities 3,910,701,375.65 Current liabilities 4 885 893 476 81 Non-current liabilities: △ Reserve for insurance contracts 7,029,200,000.00 Long-term borrowings 6,563,200,000.00 5,758,907,972.22 Bonds payable 12,470,242,903.99 Including: Preferred shares Perpetual bonds 933,360,248.57 513,902,138.24 Long-term payables Long-term empolyee benefits payable Provisions Deferred income Deferred tax liabilities Other non-current liabilities Including: Authorized reserve fund Non-current liabilities 13,302,010,110.46 19,966,803,152.56 17,212,711,486.11 Total liabilities 24,852,696,629.37 Owner's equity (or shareholers'equity): Paid-in capital (or share capital) 4,030,000,000.00 3,970,203,502.35 3.970.203.502.35 State-owned capital 4,030,000,000.00 State-owned corporate capital Collective capital Private capital Foreign capital # Less: Returned capital Net paid-in capital (or share capital) 4,030,000,000.00 3,970,203,502.35 4,100,000,000.00 2,000,000,000.00 Other equity instruments Including: Preferred shares 4,100,000,000.00 2,000,000,000.00 Perpetual bonds Capital reserve 6,169,971,209.90 5,947,689,147.58 Less: Treasury shares 18,307,882.88 6,020,834.30 Other comprehensive income Including: Translation differences of foreign currency statement Special reserve 22,372,098.54 22,372,098.54 Surplus reserve Including: Statutory provident fund 22,372,098.54 22,372,098.54 Discretionary provident fund #Reserve fund # Enterprise development fund # Profit repatriation investment △ General risk reserve -778,306,175.67 -537,468,246.93 Retained earnings 13.550,057,967.07 11.421.104.384.42 Total owner's equity (or shareholer's equity)

Total liabiliies and owner's equity (or shareholer's equity)

Principal in charge of accounting:

Head of accounting department:

38,402,754,596.44



28,633,815,870.53

Consolidated Income Statement

repared by: Wuhan Financial Holdings (Group) Co., Ltd.	FY 2019		Currency: RMB Yua
1000 Atem	Note	2019	2018
. Total operating revenue		48,123,541,363.76	37,453,918,997.9
Including: Operating income	VIII.(46)	48,123,541,363.76	37,453,918,997.9
△ Interest income			
△Premiums earned			
△Handling charges and commission income I. Total operating cost		46 625 627 045 26	25 677 209 011 7
Including: Operating cost	VIII.(46)	46,625,637,045.36 40,351,231,527.09	35,677,398,011.7 29,309,438,329.8
△Interest expenses	VIII.(40)	40,531,231,327.05	23,303,430,323.0
△Handling charges and commission expenses			
△Surrender value			
△Net expenditure for compensation payments			
△Net amount of provision for insurance contract			
△Bond insurance expense △Reinsurance costs			
Tax and surcharges		1,148,254,138.44	1,400,912,727.1
Selling expenses	VIII.(47)	406,686,613.80	448,037,289.5
General and administrative expenses	VIII.(47)	1,392,140,608.78	1,360,314,990.5
Research and development expenses	VIII.(47)	23,961,076.46	30,490,031.9
Finance expenses	VIII.(47)	3,303,363,080.79	3,128,204,642.7
Including: Interest expenses		3,424,246,439.40	3,256,326,302.2
Interest income		203,942,344.30	162,986,128.5
Exchange net loss (Net income listed with "-")		3,406,265.13	-524,979.7
Other Add: Other gains	VIII.(48)	84,965,884.03	139,771,216.0
Gain from investment (Loss listed with "-")	VIII.(49)	1,027,961,961.09	463,429,517.1
Including: Investment income from associates and joint ventures	VIII.(43)	524,117,629.23	227,189,407.7
△Exchange earnings (Loss listed with "-")			
Income from change in fair value(Loss listed with "-")	VIII.(50)	10,162,480.61	9,108,237.1
Impairment losses on assets (Loss listed with "-")	VIII.(51)	-502,740,947.05	-428,696,375.2
Gain on disposal of assets (Loss listed with "-")	VIII.(52)	203,816,870.06	152,759,396.6
I. Operating profit (Loss listed with "-")		2,322,070,567.14	2,112,892,978.0
Add: Non-operating income	VIII.(53)	66,148,548.90	34,236,384.6
Including:government subsidies Less: Non-operating expenses	VIII.(54)	27,220,579.13 6,260,184.61	12,571,461.3 23,750,897.8
J. Total profits (Total loss listed with "-")	VIII.(54)	2,381,958,931.43	2,123,378,464.9
Less: Income tax expenses	VIII.(55)	623,905,848.30	694,034,121.4
. Net profits (Net loss listed with "-")		1,758,053,083.13	1,429,344,343.4
(1) Classified by ownership			
Net profit attributable to owners of parent company		797,726,011.31	594,401,325.6
*Minority interest income		960,327,071.82	834,943,017.7
(2) Classified by business continuity		4.750.052.002.42	
Net profits from continuing operations Net profits of discontinuing operations		1,758,053,083.13	1,429,344,343.4
I. Net after-tax amount of other comprehensive income		78,039,941.16	79,230,968.5
The net after-tax value of other comprehensive income attributable to the owner of parent company	VIII.(56)	78,039,941.16	79,230,968.5
(1) Other comprehensive income that cannot be reclassified into profit or loss			
1.Remeasurement of changes in defined benefit plans			
2.Other comprehensive income not converted into profit or loss under equity method			
3.Other			
(2) Other comprehensive income reclassified into profit and loss		78,039,941.16	79,230,968.5
1.0ther comprehensive income converted into profit or loss under		2,573,708.46	110,037,000.1
ne equity method			
2.Profit and loss from fair value changes of available-for-sale nancial assets		94,095,663.37	-30,511,053.1
3.Gains and losses for held-to-maturity investments that are			
eclassified into available-for-sale financial assets			
4.Cash flow hedge reserves (effective portion of cash flow hedge	A STATE OF THE STA		
ains and losses)			
5.Translation difference of foreign currency statements		-18,629,430.67	-294,978.4
6.Other			1 1 1 1 1 1 1 1 1
*Net other comprehensive income attributable to minority			
hareholders after tax			
II. Total comprehensive income		1,836,093,024.29	1,508,575,312.0
*Total comprehensive income attributable to minority shareholders		875,765,952.47 960,327,071.82	673,632,294.2 834,943,017.7
III. Earnings per share:			
(1) Basic earnings per share	-		
(2) Diluted earnings per share		0	
Legal representative: Principal in charg	e of accounting:	Head of accounting depa	irtment:
H VA . A		G Head of accounting depa	林与
2英紫岭		for /	700
1 1 661	5	/	IELIA

Parent Company's Income Statement

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.	FY 2019		Currency: DMD Vice
		2010	Currency: RMB Yuar
Itemut	Note	2019	2018
I. Total operating revenue	VII (A)	58,860,077.41	177,086,897.46
Including: Operating income	XII.(4)	58,860,077.41	177,086,897.46
△Interest income			
△Premiub Cearned △Handlog charges and commission income			
		705 601 009 33	696 712 551 64
II. Total operating cost		795,601,008.32	686,713,551.64
Including: Operating cost			
△Interest expenses			
△Handling charges and commission expenses △Surrender value			
△Net payments for insurance claims			
△Net withdrawals from reserves for insurance contracts			
△Bond insurance expense △Amortized reinsurance expenditures			
		2,856,543.77	2,391,403.82
Taxes and surcharges		2,850,543.77	2,391,403.82
Selling expenses General and administrative expenses		122,387,071.60	48,252,923.60
·		122,387,071.60	46,232,323.00
Research and development expenses Financial expenses		670,357,392.95	636,069,224.22
Including: Interest expenses		634,811,384.52	634,119,008.99
Interest income		20,673,849.73	8,729,467.98
Exchange net loss(Net income listed with "-")		3,724,187.94	8,723,407.30
Other		3,724,107.54	
Add: Other gains			
Gain from investment (Loss listed with "-")	XII.(5)	729,530,198.57	322,690,312.56
Including: Investment income from associates and joint ventures	XII.(5)	329,055,319.94	302,828,307.81
△ Exchange earnings (Loss listed with "-")		329,033,313.34	302,020,307.03
Income from change in fair value (Loss listed with "-")		12,172.03	-44,852.03
Impairment losses on assets (Loss listed with "-")		12,172.03	44,032.00
Gain on disposal of assets (Loss listed with "-")		1,055,819.98	
III. Operating profit (Loss listed with "-")		-6,142,740.33	-186,981,193.65
Add: Non-operating income		925,902.90	719,527.86
Including:government subsidies		523,302.30	713,327.00
Less: Non-operating expenses		1,761,091.31	1,500,866.00
IV. Total profits (Total loss listed with "-")		-6,977,928.74	-187,762,531.79
Less: Income tax expenses		0,377,320.74	107,702,331.73
V. Net profits (Net loss listed with "-")		-6,977,928.74	-187,762,531.79
(1) Profits from continuing operations		-6,977,928.74	-187,762,531.79
(2)Profits of discontinuing operations		0,5,7,520,77	101,102,001.11
IV. Net after-tax amount of other comprehensive income		-12,287,048.58	40,889,353.97
(1)Other comprehensive income that cannot be reclassified into profit or loss		12,207,040.30	10,003,333.37
1.Remeasurement of changes in defined benefit plans			
2.Other comprehensive income that cannot converted into profit or loss under equity method			
3.Other			
(2)Other comprehensive income reclassified into profit and loss		-12,287,048.58	40,889,353.97
1. Other comprehensive income converted into profit or loss under the equity method		2,669,884.83	63,943,706.00
2.Profit and loss from fair value changes of available-for-sale financial assets		-14,956,933.41	-23,054,352.03
3.Gains and losses for held-to-maturity investments that are reclassified into available for-sale financial assets		14,530,533.11	25,05 1,052.05
4.Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
5. Translation difference of foreign currency statements			
6.Other			
VII. Total comprehensive income		-19,264,977.32	-146,873,177.82
VIII. Earnings per share:		13,203,377.32	1.0,070,177.02
(1)Basic earnings per share			
(2)Diluted earnings per share			

Legal representative:

Principal in charge of accounting:

Head of accounting department:

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Consolidated Cash Flow Statement

FY 2019

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.			Currency: RMB Yuar
AH WANT	Line No.	2019	2018
I. Cash flow arising from operating activities	1	52 422 200 222 40	44 402 402 540 42
Cash received from sales of goods or rendering services	2	52,422,298,332.40	44,482,102,519.12
△Net increase in customer deposits and interbank deposits	3		
△Net increase in borrowing from the central bank △Net increase in borrowing from other financial institutions	5		
△Cash received for original insurance contract premiums	6		
△Net cash received from reinsurance business	7		
△Net increase in funds and investments for policyholders	8		
△Net increase in disposals of financial assets measured at fair value through	9		
△Cash for interest, fees and commissions	10		
△Net increase in borrowing funds	11		
△Net increase in funds from repurchase business	12		
△Net cash received from agency trading of securities	13		
Received tax refunds	14	4,986,482.37	22,004,354.84
Cash received related to other operating activities	15	58,282,131,022.35	47,960,364,242.08
Subtotal of cash inflow from operating activities	16	110,709,415,837.12	92,464,471,116.04
Cash paid for the purchase of goods and services	17	44,744,414,490.56	42,460,211,710.54
△Net increase in customer loans and advances	18		
△Net increase in central bank and interbank deposits	19		
△Cash payment of original insurance contract benefits	20		
△Net increase in funds disbursed	21		
\triangle Cash payment of interest, fees and commissions	22		
△Cash paid for policy dividends	23		
Cash paid to and for employees	24	1,222,864,451.72	1,155,482,279.23
Taxes paid	25	2,103,696,257.17	1,640,363,420.60
Cash paid related to other operating activities	26	60,785,056,781.71	41,662,454,037.85
Subtotal of cash outflows from operating activities	27	108,856,031,981.16	86,918,511,448.22
Net cash flow from operating activities	28	1,853,383,855.96	5,545,959,667.82
II. Cash flow from investment activities:	29		The state of the
Cash received from disinvestment	30	4,127,560,217.67	5,136,057,680.92
Cash received from the return of investment	31	606,489,592.55	433,104,791.41
Net cash recovered from the disposal of fixed assets, intangible assets and o	32	57,394,431.17	218,826,847.49
Net cash received from dispose of subsidiaries and other business units	33		
Cash received related to other investing activities	34	488,286,854.07	486,910,684.30
Subtotal of cash inflow from investing activities	35	5,279,731,095.46	6,274,900,004.12
Cash paid for the acquisition of fixed assets, intangible assets and other long	36	1,217,914,222.49	1,426,471,589.18
Cash paid for investment	37	6,989,948,231.17	7,534,279,047.85
△Net increase in pledged loans	38		
Net cash paid by subsidiaries and other business units	39	-13,880,246.09	
Cash paid related to other investing activities	40	2,071,536,878.06	335,394,159.49
Subtotal of cash outflows from investing activities	41	10,265,519,085.63	9,296,144,796.52
Net cash flow from investing activities	42	-4,985,787,990.17	-3,021,244,792.40
III. Cash flow from financing activities:	43		
Cash received from external investment	44	2,171,591,836.72	1,512,607,850.00
Including: the subsidiary received cash from minority shareholders' investm	45		50,000,000.00
Cash received from loans granted	46	25,298,476,907.40	20,964,149,083.74
\triangle Cash received from bonds issued	47		
Cash received relating to other financing activities	48	9,962,577,461.70	1,838,221,818.63
Subtotal cash inflow from financing activities	49	37,432,646,205.82	24,314,978,752.37
Payment of debt in cash	50	25,670,156,736.13	19,814,922,630.33
Cash used to pay dividends, profits, or interest payments	51	4,642,513,170.04	3,305,121,147.85
Including: dividends and profits paid to minority interests by subsidiaries	52	79,322,481.91	54,154,761.94
Cash paid related to other financing activities	53	779,918,634.00	659,987,525.88
Subtotal cash outflow from financing activities	54	31,092,588,540.17	23,780,031,304.06
			534,947,448.31
	55	6,340.057.665.651	334.347.440 1
Net cash flow from financing activities	55 56	6,340,057,665.65 15,734,187.77	
Net cash flow from financing activities IV. Impact of exchange rate fluctuations on cash and cash equivalents	56	15,734,187.77	337,199.61
Net cash flow from financing activities	2000		337,199.61 3,059,999,523.34 5,114,950,369.26

2 Hopresentative:

Principal in charge of accounting:

Head of accounting department:



Parent Company's Cash Flow Statement

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.	Line No.	2019	Currency: RMB Yua 2018
Cash flow arising from operating activities.	1		
Cash received from sales of goods or rendering services	2	61,533,025.95	159,208,325.7
△Net increase in destomer deposits and interbank deposits	3		
△Net increase in borrowing from the central bank	4		
△Net increase in borrowing from other financial institutions	5		
△Cash received for original insurance contract premiums △Net cash received from reinsurance business	7		
△Net increase in funds and investments for policyholders	8		
△Net increase in disposals of financial assets measured at fair value through	9		
△Cash for interest, fees and commissions	10		
△Net increase in borrowing funds	11		
△Net increase in funds from repurchase business	12		
\triangle Net cash received from agency trading of securities	13		
Received tax refunds	14		
Cash received related to other operating activities	15	7,807,926,909.13	4,659,541,487.6
Subtotal of cash inflow from operating activities	16 17	7,869,459,935.08 2,316,991.03	4,818,749,813.3 25,070.0
Cash paid for the purchase of goods and services A Net increase in customer loans and advances	18	2,316,991.03	25,070.0
△Net increase in costonier loans and advances △Net increase in central bank and interbank deposits	19		
△Cash payment of original insurance contract benefits	20		
△Net increase in funds disbursed	21		
△Cash payment of interest, fees and commissions	22		
△Cash paid for policy dividends	23		AND THE RESERVE OF THE PERSON
Cash paid to and for employees	24	69,081,362.95	43,782,421.4
Taxes paid	25	11,910,336.64	17,709,331.5
Cash paid related to other operating activities	26	9,903,047,282.96	6,574,421,966.3
Subtotal of cash outflows from operating activities	27	9,986,355,973.58	6,635,938,789.1
Net cash flow from operating activities	28	-2,116,896,038.50	-1,817,188,975.8
I.Cash flow from investment activities: Cash received from disinvestment	30		617,552,020.0
Cash received from the return of investment	31	102,250,611.88	91,594,602.1
Net cash recovered from the disposal of fixed assets, intangible assets and	32	1,430,000.00	31,331,002.3
Net cash received from dispose of subsidiaries and other business units	33	3,100,000.00	
Cash received related to other investing activities	34		
Subtotal of cash inflow from investing activities	35	103,680,611.88	709,146,622.7
Cash paid for the acquisition of fixed assets, intangible assets and other lor	36	869,153.00	627,012.8
Cash paid for investment	37	4,283,684,536.00	834,509,075.0
△Net increase in pledged loans	38		
Net cash paid by subsidiaries and other business units	39		
Cash paid related to other investing activities	40		
Subtotal of cash outflows from investing activities	41	4,284,553,689.00	835,136,087.8
Net cash flow from investing activities	42	-4,180,873,077.12	-125,989,465.1
II.Cash flow from financing activities:	43	2,130,000,000.00	1,052,900,000.0
Cash received from external investment Including: the subsidiary received cash from minority shareholders' investr	45	2,130,000,000.00	1,032,300,000.0
Cash received from loans granted	46	5,895,000,000.00	8,972,000,000.0
△ Cash received from bonds issued	47	3,033,000,000.00	0,372,000,000.0
Cash received roll bolids issued Cash received relating to other financing activities	48	8,707,627,268.34	1,474,628,435.2
Subtotal cash inflow from financing activities	49	16,732,627,268.34	11,499,528,435.2
Payment of debt in cash	50	8,434,886,838.03	7,349,746,573.9
Cash used to pay dividends, profits, or interest payments	51	1,086,168,783.67	682,101,060.
Including: dividends and profits paid to minority interests by subsidiaries	52		
Cash paid related to other financing activities	53	73,182,704.92	34,335,696.5
Subtotal cash outflow from financing activities	54	9,594,238,326.62	8,066,183,331.2
Net cash flow from financing activities	55	7,138,388,941.72	3,433,345,103.9
V. Impact of exchange rate fluctuations on cash and cash equivalents	56	14,073,787.94	
/. Net increase in cash and cash equivalents	57	854,693,614.04	1,490,166,663.
Add: balance of cash and cash equivalents at the beginning of the period	58	2,016,054,274.52	525,887,611.5
/I. Balance of cash and cash equivalents at the end of the period	59	2,870,747,888.56	2,016,054,274.
Legal representative: Principal in charge	of accounting:	Head of accounting depar	tment: 林宋 印家



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FY 2019

No Maria					A	Amount for the year		THE STREET	A SERVICE SERVICES			
11				Shareholder's e	Shareholder's equity belonging to the parent company	nt company						
The state of the s	Paid-in capital	Othe	Other equity instruments	Capital reserve	Less: Other comprehensive treasu income	ve Special reverses	Surplus reverse	△General risk	Undistributed profits	Subtotal	Non Controlling Interest	Owner's equity
Golumn number	1			5		00	6	10	11	12	13	14
1. b/d	3,970,203,502.35		2,000,000,000.00	6,741,498,993.86	1,116,412,547.20	20 3,117,081.50	22,372,098.54	280,126,919.94	2,994,774,973.54	17,128,506,116.93	18,754,965,042.01	35,883,471,158.94
Add: Accounting policies change		2					(a)					
Error correction in the prior period			9					8	* 0			
Others												
2. Current year beginning balance	3,970,203,502.35		2,000,000,000.00	6,741,498,993.86	1,116,412,547.20	20 3,117,081.50	22,372,098.54	280,126,919.94	2,994,774,973.54	17,128,506,116.93	18,754,965,042.01	35,883,471,158.94
3. Current year movement (Less will show as "-")	59,796,497.65		2,100,000,000.00	196,079,026.70	78,039,941.16	16		163,867,108.53	407,862,650.64	3,005,645,224.68	2,780,447.88	3,008,425,672.56
(1) Total comprehensive income		- NO - NO - NO			78,039,941.16	16			797,726,011.31	875,765,952.47	960,327,071.82	1,836,093,024.29
(2) Shareholder investment and redution of capital	59,796,497.65		2,100,000,000.00	213,352,726.70				7,863,747.86		2,381,012,972.21	-701,560,236.87	1,679,452,735.34
1.Shareholder's ordinary share	59,796,497.65			15,300,000.00						75,096,497.65	-792,580,339.33	-717,483,841.68
2.Other equity instrument holder's investment			2,100,000,000.00							2,100,000,000.00		2,100,000,000.00
3.Dividends payable into shareholder's equity amount												
4.Others				198,052,726.70				7,863,747.86		205,916,474.56	91,020,102.46	296,936,577.02
(3) Special reserve												
1.extract special reverse												
2.use of special reverse												
(4) Profit distribution				-17,273,700.00				156,003,360.67	-389,863,360.67	-251,133,700.00	-255,986,387.07	-507,120,087.07
1.Extract surplus reserve												
Including: legal accumulation fund				Constitution of the second second								
Optional accumulation fund												
#Reserve fund				THE RESERVENCE OF				THE STATE OF THE S		N. 12 10 11 180 1		
#Enterprise expension fund			The second secon	STATE OF THE PERSON AND ADDRESS OF THE PERSON ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON AN			Service Services		Section of the second	The Stone of Live		S. Same
#Capital redemption								THE PLANT	Section 1			
2.Withdrawal of general risk provision								156,003,360.67	-156,003,360.67			
3.Distribution to owners (or shareholders)									-233,860,000.00	-233,860,000.00	-255,986,387.07	-489,846,387.07
4.Others				-17,273,700.00						-17,273,700.00		-17,273,700.00
(5) Shareholder's equity internal transfer							N. C.				STATE STATE OF THE	
1. Capital reserve convert to capital		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1								8 1 8 0 1 P		
2.Surplus reverse convert to capital			A STATE OF THE STA									
3.Surplus reverse recover loss												
\$5.0ther comprehensive income convert to retained earnings												
6.Others												
4. c/f	4,030,000,000.00	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4,100,000,000.00	6,937,578,020.56	1,194,452,488.36	36 3,117,081.50	22,372,098.54	443,994,028.47	3,402,637,624.18	20,134,151,341.61	18,757,745,489.89	38,891,896,831.50
epresentative:	Principal in charge of accounting:	ng:		Head of accounting								
			0									
V 877/			1		十十							
F-W-T			22		4							
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しれたいこ					かご							
ハーリと												
J		•										



Consolidated Statement of Changes in Equity (Continued)

Main	Prepared by: Worken Financial Holdings (Group) Co., Ltd.	, no	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	A STATE OF THE PERSON					Mark Indian				Currency: RMB
Control Cont	及一个平						Prior year amount			STATE OF THE STATE			
Control Cont	Item				Shareholder's	equity belonging to the p	parent company					Non Controlling	
Column C	The way of the			urities	pital reserve		Special reverses	Surplus reverse	△General risk reserves	Undistributed profits	Subtotal	Interest	Owner's equity
Control Cont	7	\vdash				6 7	8	6	10	11	12	13	14
17.0000000 17.0000000 17.0000000 17.0000000 17.0000000 17.0000000 17.0000000 17.0000000 17.0000000 17.00000000 17.0000000 17	Account	3,917,303,502.35	1,000	,000,000,000,	5,211,146,092.15	1,076,922,371.8		22,372,098.54	246,488,861.29	1,542,146,286.52	13,019,496,294.17	18,161,123,152.17	31,180,619,446.34
Control Cont	Error correction in the prior period				-16,800,000.00					-82,971,938.79	-99,771,938.79	-216,587,294.13	-316.359.232.92
Control Cont	Others				1,328,325,777.00	-39,884,235.85	6		1,070,153.52	1,103,925,106.79	2,393,436,801.42	-427,710,356,46	1.965.726.444.96
The control of the	2. Current year beginning balance	3,917,303,502.35	1,000	000000000	6,522,671,869.15	1,037,038,135.93		22,372,098.54	247,559,014.81	2,563,099,454.52	15,313,161,156.80	17,516,825,501.58	32,829,986,658.38
Substitution Suppose	3. Current year movement (Less will show as"-")	52,900,000.00	1,000	000000000	218,827,124.71	79,374,411.27	7		32,567,905.13	431,675,519.02	1,815,344,960.13	1,238,139,540.43	3,053,484,500.56
1,000,000,000 1,000,000,00	(1) Total comprehensive income					79,230,968.58	80			594,401,325.68	673,632,294.26	834,943,017.77	1,508,575,312.03
1,000,000,000 1,000,000 1,00	(2) Shareholder investment and redution of capital	52,900,000.00	1,000	000000000	218,827,124.71	143,442.65	6				1,271,870,567.40	600,558,964.08	1,872,429,531.48
Particular Par	1.Shareholder's ordinary share	52,900,000.00			53,191,250.00						106,091,250.00	390,573,750.00	496,665,000.00
Part	2.Other equity instrument holder's investment		1,000	000000000							1,000,000,000.00		1,000,000,000.00
Second content	3.Dividends payable into shareholder's equity amount												
Comparison of the comparison	4.Others			STATE OF THE STATE OF	165,635,874.71	143,442.65	6				165,779,317.40	209,985,214.08	375,764,531.48
Control Cont	(3) Special reserve												
Control decrement Cont	1.extract special reverse											The second	
Part of the control	2.use of special reverse												
Comparison Com	(4) Profit distribution								32,567,905.13	-162,725,806.66	-130,157,901.53	-197,362,441.42	-327,520,342.95
Including learned and a comparing the property of the proper	1.Extract surplus reserve				N THE TOTAL WILL							N I	
Reconstruction of the companion of the	Including: legal accumulation fund									THE STATE OF THE S			
Extremove fund Extr	Optional accumulation fund			SECTION AND ADDRESS OF THE PARTY OF THE PART							THE RESERVE		
Excitation fund Excitation	#Reserve fund								100				
Control of general trade Control of General	#Enterprise expension fund												
Distribution of promotion Control of State Control of S	#Capital redemption								1826				
District	2.Withdrawal of general risk provision								32,567,905.13	-32,567,905.13			
Description	3.Distribution to owners (or shareholders)					THE VIEW OF				-82,162,777.78	-82,162,777.78	-197,362,441.42	-279,525,219.20
Parameter occount in content to content t	4.Others									-47,995,123.75	47,995,123.75		-47,995,123.75
Principal in convert to capital Principal in charge of accounting: Principal in charge of accounting: Principal i	(5) Shareholder's equity internal transfer								D				C T 1/205 11
Principal Prin	1.Capital reserve convert to capital				THE WAY TO SELECT THE PARTY OF				10 10 10 10 10 10 10 10 10 10 10 10 10 1			THE RESIDENCE OF THE PARTY OF T	
my blue reverse recover to retained	2.Surplus reverse convert to capital			THE PARTY									
# Principal in charge of accounting: 10	3.Surplus reverse recover loss												
# 115 cm principal in charge of accounting: ### 125 cm principal in charge of accounting: #### 125 cm principal in charge of accounting: #### 125 cm principal in charge of accounting: ##### 125 cm principal in charge of accounting: ###################################	4.Changes in employee benefit plan convert to retained											•	100 100 100 100 100 100 100 100 100 100
## Principal in Charge of accounting: 1,116,412,64720 3,117,081.50 22,372,088.54 280,126,519.94 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 22,372,088.54 280,126,519.94 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 22,372,088.54 280,126,519.94 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 22,372,088.54 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 2,2372,088.54 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 2,2372,088.54 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 2,2372,088.54 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 2,2372,088.54 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 2,2372,088.54 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 2,2372,088.54 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,117,081.50 2,994,774,973.54 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,64720 3,417,648,933.44 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,64720 3,417,648,933.44 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,648,933.44 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,648,933.44 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,648,933.44 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,648,933.44 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,648,933.44 17,128,506,116.93 18,754,965,042.01 1,116,412,64720 3,417,648,933.44 17,128,966,116.93 18,754,965,042.01 1,116,412,64720 3,417,648,933.44 17,128,966,116.93 17,128,966,116.93 18,754,965,116.93 18,	arnings								TOWN IN	ACK OF MICE AND A			
Principal in charge of accounting:	25.Other comprehensive income convert to retained			T AS TO THE									
### ### ### ### ### ### ### ### ### ##	arnings 6 Others												
Principal in charge of accounting. Principal in charge of accounting.	: c/f	3 970 203 502 35	2.000	000 000 000	6 741 498 993 86	1 116 412 547 20		72 272 000 54		2 CTO NTT NOO C	17 179 505 116 03	10 150 250 250 01	AC 074 174 500 7C
	Legal representative:	1	cipal in charge of accounting:		Hea	ad of accounting		45,574,036,34		2,334,114,313.34	17,128,506,116.93	18,754,965,042.01	35,883,4/1,158.94
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Parent Company's Statement of Changes in Equity

限。沙巴							Amount for the year					Carroll Carroll
				-		1						
A A A A A A A A A A A A A A A A A A A	Paid-in capital	Preferred Shares	Other equity instruments d Perpetual capital securities	Others	Capital reserve	Less: treasury stock	Other comprehensive income	Special	Surplus reserves	△General risk reserves	Undistributed profits	Owner's equity
Column number	7	2	3	4	S	9	7	8	6	10	11	12
1. b/d	3,970,203,502.35		2,000,000,000.00		5,947,689,147.58		18,307,882.88		22,372,098.54		-537,468,246.93	11,421,104,384.42
Add: Accounting policies change								T WHEN				
Error correction in the prior period												
Others												
2. Current year beginning balance	3,970,203,502.35		2,000,000,000.00		5,947,689,147.58		18,307,882.88		22,372,098.54		-537,468,246.93	11,421,104,384,42
3. Current year movement (Less will show as"—")	59,796,497.65		2,100,000,000.00		222,282,062.32		-12,287,048.58				-240,837,928,74	2,128,953,582,65
(1) Total comprehensive income							-12,287,048.58				-6.977.928.74	-19.264.977.32
(2) Shareholder investment and redution of capital	59,796,497.65	WAS THE	2,100,000,000.00		222,282,062.32							2.382.078.559.97
1.Shareholder's ordinary share	59,796,497.65				D RESEARCH STATE							59.796.497.65
2.Other equity instrument holder's investment			2,100,000,000.00				The Internation					2,100,000,000,00
3. Dividends payable into shareholder's equity amount			75 S C C 1 O 1 5 7 7									
4.Others					222,282,062.32							222.282.062.32
(3) Special reserve						1	ALL SECTIONS	N N N N N N N N N N N N N N N N N N N	TOWNS TOTAL			
1.extract special reserves												
2.use of special reserves												
(4) Profit distribution			HIND SALES								-233,860,000.00	-233,860,000.00
1.Extract surplus reserve												
Including: legal accumulation fund						VEN WA						TOWN THE PASS
Optional accumulation fund								Section 1				
#Reserve fund					NATIONAL STREET							
#Enterprise expension fund									THE STATE OF THE S			
#Capital redemption					THE STATE OF THE S							
2.Withdrawal of general risk provision												
3.Distribution to owners (or shareholders)											-233,860,000.00	-233,860,000.00
4.Others		X X X							N TO THE			
(5) Shareholder's equity internal transfer		30-00										
1.Capital reserve convert to capital	8 1 1											
2.Surplus reserves convert to capital	A CONTRACTOR OF THE PERSON OF		TANGE OF THE REAL									STANDARD NEWS
3.Surplus reserves recover loss				A I								
4.Changes in employee benefit plan convert to						12/4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		7 11.55				
retained earnings										THE PERSON NAMED IN		
☆5.Other comprehensive income convert to retained								20				
earnings		1			TO THE PERSON OF		THE PERSON NAMED IN COLUMN NAM					And the second second
6.0thers			2 2 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		State of the last				CONTRACTOR CONTRACTOR			
4. c/f	4,030,000,000.00		4,100,000,000.00		6,169,971,209.90	211111111111111111111111111111111111111	6,020,834.30	1888	22,372,098.54		-778,306,175.67	13,550,057,967.07
Legal representative:	Principal in charge of accounting:	of accounting	in		Ĭ	Head of accounting	unting					

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Parent Company's Statement of Changes in Equity (Continued)

10000000000000000000000000000000000000		N N					Prior year amount				THE RESERVE AND THE RESERVE AND ADDRESS.	
4		Oth	Other equity instruments			ress:		lcioo		Visia Icano		
This was a second	Paid-in capital	Preferred Shares	Perpetual capital C	Others	Capital reserves	Treasury	orner comprehensive sp	special Sur	Surplus reserves	△ beneral risk reserves	Undistributed profits	Owner's equity
Column number	1	2	3	4	5	9	7	80	6	10	11	12
No. of the last of	3,917,303,502.35		1,000,000,000.00		5,090,946,440.57		628,687.31		22,372,098.54		-969,865,358.16	9,061,385,370.61
Add: Accounting policies change						I Section						
Error correction in the prior period	A LINE AND ASSET		ALIMAN PRINCE IN		New State St							
Others	27 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		\$ 1 KB 8 7 W 1 K 1 K 1 K 1		815,605,648.00		-23,210,158.40				702,322,420.80	1,494,717,910.40
2. Current year beginning balance	3,917,303,502.35		1,000,000,000.00		5,906,552,088.57		-22,581,471.09		22,372,098.54		-267,542,937.36	10,556,103,281.01
3. Current year movement (Less will show as"—")	52,900,000.00		1,000,000,000.00		41,137,059.01		40,889,353.97				-269,925,309.57	865,001,103.41
(1) Total comprehensive income							40,889,353.97	1 8 8 8 8			-187,762,531.79	-146,873,177.82
(2) Shareholder investment and redution of capital	52,900,000.00		1,000,000,000.00		41,137,059.01							1,094,037,059.01
1.Shareholder's ordinary share	52,900,000.00				3,025,957.41				Tall of the second	7 87 80		55,925,957.41
2.Other equity instrument holder's investment			1,000,000,000.00	180118								1,000,000,000.00
3. Dividends payable into shareholder's equity amount												
					38,111,101.60							38,111,101.60
(3) Special reserve												
1.extract special reverse				A STATE OF								
2.use of special reverse								100				
(4) Profit distribution				The state of	The State of the s						-82,162,777.78	-82,162,777.78
1.Extract surplus reserve												
Including: legal accumulation fund												
Optional accumulation fund			THE STATE OF THE S								A CONTRACTOR ISSUED	THE PERSON
#Reserve fund												
#Enterprise expension fund												
#Capital redemption												The second second
2.Withdrawal of general risk provision												
3.Distribution to owners (or shareholders)			Carry Color Special Color			100					-82,162,777.78	-82,162,777.78
		De la Company	NEW WARRAND		Property and the property of	ALCO MA	A STATE OF THE STATE OF	× 100 × 100				
(5) Shareholder's equity internal transfer	100 TO 10						San					
1.Capital reserve convert to capital			and alternative state	-4881 H		- CAT						C. I Barrelous sans
2.Surplus reverse convert to capital				50 V				1000				
3.Surplus reverse recover loss		THE PROPERTY	A STATE OF STATE OF	8 7 7 10 5	The State of the S						Water Street	
4.Changes in employee benefit plan convert to												
retained earnings												
☆5.Other comprehensive income convert to retained									Y Y		State part was a	
							1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				TOTAL SERVICE TO	
		8										
	3,970,203,502.35		2,000,000,000.00		5,947,689,147.58		18,307,882.88		22,372,098.54		-537,468,246.93	11,421,104,384.42
Least representative.			Principal in charge of accounting:	Faccountin				Lond	Upond of accounting			

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(Unless otherwise specified, the amounts stated in the note are expressed in RMB yuan)

Background of the Company

(1) Corporate history, place of registration, organization form, and address of HQ

Wuhan Financial Holdings (Group) Co., Ltd.(was formerly known as "Wuhan Economic Development Investment(Group) Co., Ltd.", hereinafter referred to as "the Company" and collectively referred to as "the Group" when including subsidiaries) is a wholly state-owned company approved by the General Office of Wuhan Municipal Party Committee and Government[2005], No. 28. It was formed by merger and reorganization of the state-owned equity of nine companies originally belonged to the Municipal Office and Bureau, namely Wuhan Development Investment Co., Ltd. (hereinafter referred to as "Development Investment Company"), Wuhan Communications Construction Investment Co., Ltd.(hereinafter referred to as "Communications Investment Company"), Wuhan State-owned Industry Investment Co., Ltd.(hereinafter referred to as "Industry Investment Company"), Wuhan Construction Investment Company(hereinafter referred to as "Construction Investment Company"), Wuhan Agricultural Investment Co., Ltd., Wuhan Torch Technology Investment Co., Ltd., Wuhan Yangtze River Economy United Development Co., Ltd.(hereinafter referred to as "Yangtze River Development Company"), Wuhan Venture Guarantee Co., Ltd. and Wuhan Minfa Credit Guarantee Co., Ltd. in August 2005. The Company is financed by the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People's Government, with a contribution ratio of 100%. On August 8th, 2015, the Group officially changed its name to "Wuhan Financial Holdings (Group) Co., Ltd." The Group's current registration number/unified social credit code is 91420100778164444G, and the registered capital is RMB 4 Billion, the paid-in capital is 4.030 billion, the legal representative is Shen Zanxiong, the registered address: 77Changjiang Daily Road, Jianghan District, Wuhan City.

(2) Nature of business and main business activities

Equity investment and management in the financial industry; carry out investment business related to industrial structure adjustment such as energy, environmental protection, high-tech, urban infrastructure, agriculture, manufacturing, logistics, real estate, trade, tourism, hotel, etc.; Wholesale and retail of construction and decoration materials, metal and non-metal materials, agricultural and sideline products, machinery and electrical appliances; warehouse service; non-financial equity investment and management; investment management consulting; enterprise management services; financial information and technology studies(business operations that are subject to examination and approval in accordance with the law may be carried out only after approval by the relevant departments).

(3) Name of the ultimate controller

The ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government.

The Company has a board of directors to manage and control major decisions and daily work.

(4) Term of operation

The operating period is perpetual.

II. Basis for the preparation of the financial statements

The Group's financial statements have been prepared on the basis of going concern assumptions and based on actual transactions and events in accordance with the Accounting Standards for Business Enterprises - Basic Standards issued by the Ministry of Finance (Ministry of Finance Decree No. 33, amended by Ministry of Finance Decree No. 76), 42 specific accounting standards issued and amended on February 15th, 2006 and thereafter, guidance on the application of Accounting Standards for Business Enterprises, interpretation of Accounting Standards for Business Enterprises (hereinafter collectively referred to as "Accounting Standards for Business Enterprises").

III. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of corporate accounting standards and give a true and complete view of the Group's financial position as at December 31st, 2019, and information relating to operating results and cash flows for fiscal 2019.

IV. Significant accounting policies and accounting estimates

(1) Accounting period

The Group's accounting period is from January 1st to December 31st.

(2) Functional currency

The Group uses RMB Yuan as its functional currency.

(3) Basis of bookkeeping and pricing principles

The Group's accounting is based on the accrual basis of accounting. Except for trading financial assets and available-for-sale financial assets are measured at fair value, the financial statements are measured on the historical cost basis.

(4) Business combinations

Assets and liabilities acquired by the Group as combining party in business combination under common control are measured at the combined party's carrying amount in the consolidated statements of ultimate control at the date of combination. The capital reserve adjustments are made according to the difference between the carrying value of the net assets obtained and the carrying value of the consolidated consideration paid; retained earnings is adjusted if the capital reserve is insufficient to be written down.

The identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in the business combination under different control are measured at fair value on the acquisition date. The costs of the combination is the sum of the fair value of the cash or non-cash assets paid, liabilities issued or assumed, equity securities issued by the Group at the date of purchase in order to obtain control of the acquiree and all the direct related expenses incurred in the business combination (in a business combination achieved through multiple transactions, the combined cost is the sum of the costs of each individual transaction). The difference between the cost of the combination and the share of the fair value of the acquiree's identifiable net assets obtained in the combination is recognized as goodwill. If the cost of the combination is less than the share of the fair value of the acquiree's identifiable net assets acquired in the combination, the fair value of each identifiable asset, liability and contingent liability acquired in the combination, as well as the fair value of the non-cash assets or equity

securities issued of merger consideration are first reviewed; after the review, if the cost of the combination is still less than the fair value of the acquiree's share of the identifiable net assets acquired in the combination, the difference is recognized in the non-operating income of the current period.

- (5) Methodology for the preparation of the consolidated financial statements
- 1. Principles for determining the scope of the consolidated financial statements

The Group includes all controlled subsidiaries within the scope of consolidated financial statements.

- 2. Principles, procedures and methods of preparation of consolidated financial statements
- If, in preparing the consolidated financial statements, the subsidiaries do not conform to the accounting policies or accounting periods adopted by the Company, the subsidiaries' financial statements are adjusted as necessary in accordance with the Company's accounting policies or accounting periods.

All significant internal transactions, balances and unrealized profits within the scope of combination are eliminated in the preparation of the consolidated financial statements. The shares of owner's equity in subsidiaries that do not belong to the parent company and the shares of net income, other comprehensive income and total comprehensive income attributable to minority equity are shown in the consolidated financial statements under the item "minority interests, minority gains and losses, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders" respectively.

For subsidiaries acquired through business combination under the same control, the results of operations and cash flows are included in the consolidated financial statements from the beginning of the period of combination. In preparing the comparative consolidated financial statements, the relevant items in the previous year's financial statements are adjusted as if the reporting entity resulting from the combination had been in existence since the point at which the ultimate controlling party began to control it.

In the case of a business combination that results from the acquisition of equity in investees under the same control obtained through multiple transactions step by step, adjustments are made in the consolidated financial statements as if they had been in existence in their current state at the time when the ultimate controlling party began to control. When preparing the comparative financial statements, consolidate the relevant assets and liabilities of the combined party into the comparative statements of the Group's consolidated financial statements to the extent not earlier than the point at which both the Group and the combined party are under the ultimate controlling party's control, and adjust the related items under owner's equity in the comparative statements for the increase in net assets resulting from the consolidation. In order to avoid double counting of the value of the combined party's net assets, on the date of acquisition of the original equity, the Group's long-term equity investments held prior to reaching combination and the recognized gains and losses, other comprehensive income and other changes in net assets between the date of combination and whichever date the Group and the combined party are in the ultimate control of the same party, shall be offset against opening retained earnings and current profits and losses, respectively, in the comparative statements period.

For subsidiaries acquired through business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Group acquires control. In preparing the consolidated financial statements, adjustments are made to the financial statements of subsidiaries based on the fair value of each identifiable asset, liability and contingent liability determined at the date of purchase.

In the case of a business combination that results from the acquisition of equity in investees not under the same control through multiple transactions step by step, the equity in the acquirees held before the date of purchase is remeasured at its fair value at the date of purchase when preparing the consolidated financial statements. The difference between the fair value and its carrying value is included in the current investment income. The relevant equity of the acquirees held prior to the purchase date that relates to other comprehensive income under the equity method and other changes in owner's equity (not including net profits and losses, other comprehensive income, and profit distribution) is transferred to investment gains and losses in the current period at the date of purchase. Other comprehensive income resulting from the remeasurement of the investee's changes in net liabilities or assets of the defined benefit plan is not included.

The Group partially disposes long-term equity investments in subsidiaries without losing control. In consolidated financial statements, adjustments of capital premium or equity premium are made based on the difference between the disposal of the price and disposal of the share of the net assets calculated on an ongoing basis of the subsidiary to which a long-term equity investment is entitled since the date of purchase or combination. If the capital reserve is insufficient to be written down, the retained earnings is adjusted.

When control of the investees is lost as a result of the disposition of a portion of the equity investment or otherwise, the remaining equity is remeasured to its fair value at the date of loss of control in the preparation of consolidated financial statements. The difference between the consideration obtained for the disposal of the equity interest and the fair value of the remaining equity interest, less the proportionate share of the original subsidiary's net assets calculated on a continuing basis from the date of purchase or combination, is included in investment profits and losses in the period in which control is lost, and goodwill is written down at the same time. Other comprehensive income related to equity investments in former subsidiaries is transferred to current investment profits and losses upon loss of control.

When the Group's equity investment in a subsidiary is disposed of through multiple transactions step by step up to the loss of control, if transactions that dispose of equity investments in subsidiaries up to the point of loss of control are part of a package deal, each transaction is accounted for as a disposal of the subsidiary and loss of control; however, the difference between the price of each disposal prior to the loss of control and the share of the subsidiary's net assets corresponding to the disposal of the investment is recognized in the consolidated financial statements as other comprehensive income, which is transferred to the investment gain or loss in the period of loss of control when the control is lost.

(6) Classification of joint venture arrangements and accounting treatment of joint operations

The joint venture arrangement of the Group includes joint operations and joint ventures. The Group, as a joint venture in joint operations, recognizes assets held and liabilities assumed separately, as well as assets held and liabilities assumed by shares, and recognizes the related revenue and costs individually or on a share basis in accordance with relevant agreements. When transactions involving the purchase and sale of assets do not constitute a business with the joint operations, only the portion of the gain or loss resulting from the transaction attributable to the other participants in the joint operation is recognized.

(7) Criteria for determining cash and cash equivalents

Cash in the Group's statement of cash flows refers to cash on hand and deposits that are readily available for payment. Cash equivalents in the statement of cash flows are investments that are held for no more than three months, highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

- (8) Foreign currency operations and translation of foreign currency statements
- 1. Foreign currency transactions

The foreign currency amount is converted into RMB amount at the spot exchange rate on the transaction date in the Group's foreign currency transactions. On the balance sheet date, foreign currency monetary items are converted into RMB at the spot exchange rate on the balance sheet date, and the resulting translation differences are directly recognized in current profits and losses, except for exchange differences arising from foreign currency borrowings specifically for the acquisition or production of assets eligible for capitalization(which are treated in accordance with the capitalization principle).

2. Translation of financial statements in foreign currencies

The items of assets and liabilities in the balance sheet of foreign currency are translated at the spot exchange rate on the balance sheet date. Except for the "undistributed profits", the owners' equity items are converted at the spot exchange rate at the time of the occurrence of the business. The income and expense items in income statements are translated at the spot exchange rate on the date of transaction. The foreign currency translation differences resulting from the above translations are presented under "other comprehensive income" in owner's equity. Foreign currency cash flows are translated using the spot exchange rate at the date of the cash flow. The effect of changes in exchange rates on cash is shown separately in the statement of cash flows.

- (9) Financial assets and liabilities
- 1. Financial assets

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

Classification, basis of recognition and measurement of financial assets

According to the investment purpose and economic substance, the financial assets owned by the Group are classified as financial assets at fair value through current profit or loss, held-to-maturity investments, receivables, and available-for-sale financial assets.

Financial assets at fair value through current profit or loss for the current period include trading financial assets and financial assets designated at fair value through current profit or loss at initial recognition. The Group classifies financial assets as trading financial assets if one of the following conditions is met: it is acquired for the primary purpose of selling in the short term; it is part of a centrally managed portfolio of identifiable financial instruments for which there is an objective evidence that the Company has recently managed the portfolio for short-term profit; and it is a derivative instrument, except for derivatives that are designated and effective hedging instruments, derivatives that are financial guarantee contracts, derivatives linked to investments in equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured and are subject to settlement through delivery of the equity instrument. The Group designates only financial instruments that meet one of the following conditions at the initial recognition as financial assets measured at fair value through current profit or loss: the designation eliminates or significantly reduces inconsistencies in the recognition or measurement of related gains or losses arising from the different measurement bases of the financial instrument; the Company's risk management or investment strategy is formally documented in writing and the portfolio of financial instrument is managed and evaluated on the basis of fair value, and reported to the key management personnel. A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives do not materially change the cash flows of the hybrid instrument or the embedded derivatives is clearly not to be separated from the related hybrid instrument.

Hybrid instruments containing embedded derivatives that needs to be separated but cannot be separately measured at the time of acquisition or subsequent balance sheet date. The financial assets designated by the Group mainly include trading financial assets. For such financial assets, the fair value is adopted for subsequent measurement. Changes in fair value are included in profit and loss arising from fair value changes; interests or cash dividends obtained during the holding period of assets are recognized as investment income; at the time of disposal, the difference between its fair value and the initial amount recorded is recognized as investment profit and loss, and profit and loss arising from fair value changes is adjusted at the same time.

Held-to-maturity investments are non-derivative financial assets with fixed maturities, fixed or determinable recovery amounts and which the Group has the express intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method, and gains or losses arising from its amortization or impairment and derecognition are recognized in the current profit or loss.

Receivables are non-derivative financial assets that is not quoted, recovered in a fixed or determinable amount in an active market. It is subsequently measured at amortized cost using the effective interest method, and gains or losses arising from its amortization or impairment and derecognition are recognized in current profits and losses.

Available-for-sale financial assets refers to non-derivative financial assets designated as available-for-sale upon initial recognition, and financial assets not classified in other categories. Within these assets, investments in equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured, as well as derivative financial assets linked to the equity instrument and subject to settlement through delivery of the equity instrument, are subsequently measured at cost; other assets with quoted prices in an active market or fair values that can be reliably measured despite the absence of quoted prices in an active market, are measured at fair value, with changes in fair value recognized in other comprehensive income. For such financial assets measured subsequently at fair value, except for impairment losses and exchange gains and losses resulting from foreign currency monetary financial assets, changes in fair value of available-for-sale financial assets are recognized directly in shareholders' equity. When the financial asset is derecognized, the accumulated changes in fair value that were previously recognized directly in equity are transferred to current profit or loss. Interests of available-for-sale debt instrument investments calculated using the effective interest method during the holding period, as well as cash dividends declared by the investees related to investments in available-for-sale equity instruments, are recognized as investment income in current profits and losses. Investments in equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured are measured at cost.

Basis for recognition and measurement of transfers of financial assets

A financial asset is derecognized if one of the following conditions is met: ① the contractual right to receive cash flows from the financial asset is terminated; ② the financial asset is transferred and almost all risks and rewards of ownership of the financial asset are transferred to the transferring party by the Group; ③ the financial asset is transferred and the Group relinquishes control of the financial asset although it neither transfers nor retains ownership of almost all risks and rewards of the financial asset.

Where an enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset and has not relinquished control of that financial asset, the financial asset is recognized to the extent that it continues to be involved in the transferred financial asset and a liability is recognized accordingly.

When a transfer of a financial asset as a whole meets the conditions for derecognition, the difference between the carrying value of the transferred financial asset and the consideration received for the transfer and the cumulative amount of the change in fair value

originally included in other comprehensive income is recognized in profit or loss in the current period.

When a partial transfer of financial assets satisfies the conditions for derecognition, the carrying value of the transferred financial assets is apportioned between the derecognized and non-derecognized portions to their relative fair values and the difference between the consideration received for the transfer and the cumulative amount of the change in fair value originally included in other comprehensive income that should have been apportioned to the derecognized portion and the aforementioned apportioned carrying amount is recognized in profit or loss in the current period.

Test methods and accounting treatments for impairment of financial assets

Except for financial assets measured at fair value through current profit or loss, the Group examines the carrying value of other financial assets at balance sheet date and provides for impairment if there is objective evidence that a financial asset is impaired.

In the event of impairment of financial assets measured at amortized cost, the impairment provision is made according to the difference between the present value of the expected future cash flow (excluding future credit losses not yet incurred) and the book value. If there is objective evidence that the value of the financial asset has been restored and is objectively related to events occurred after the recognition of the loss, the impairment loss originally recognized will be reversed and recorded into the current profit and loss.

When an available-for-sale financial asset is impaired, the accumulated losses resulting from the decline in fair value that were previously recognized directly in owner's equity are transferred out and recognized as impairment losses. For investments in available-for-sale debt instruments for which an impairment loss has been recognized, if the fair value increases after the period and the increase can be objectively related to events occurring after the original impairment loss was recognized, the previously recognized impairment loss is reversed and recognized in current profit or loss. For investments in available-for-sale equity instruments for which an impairment loss has been recognized, an increase in fair value after the period is recognized directly in owner's equity.

2. Financial liabilities

1) Classification, basis of recognition and measurement of financial liabilities

The Group's financial liabilities are classified at initial recognition as financial liabilities at fair value through current profit or loss and other financial liabilities.

Financial liabilities at fair value through current profit or loss, including trading financial liabilities and financial liabilities designated as at fair value through current profit or loss at initial recognition, are subsequently measured at fair value, with gains or losses arising from changes in fair value and dividends and interest expenses related to the financial liabilities recognized in current profit or loss.

Other financial liabilities are measured subsequently at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The part of a financial liability or obligation that has been discharged may be derecognized only if the present obligation of the financial liability has been discharged in whole or in part. If the company and the creditor sign an agreement to replace the existing financial liabilities by assuming the new financial liabilities, and the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the company shall terminate the recognition of the existing financial liabilities and recognize the new financial liabilities at the same time. If the company substantially modifies all or part of the contract terms of the existing financial liability, the recognition of the existing financial liability

or part thereof shall be terminated, and at the same time the modified financial liability shall be recognized as a new financial liability. The difference between the carrying value of the derecognized portion and the consideration paid is recognized in current profit or loss.

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

The Group measures fair value of financial assets and financial liabilities at the price of major markets; in the absence of major markets, the fair value of financial assets and financial liabilities is measured at the price of the most advantageous market, and the valuation techniques applicable at the time and supported by enough available data and other information is adopted. The input value used in fair value measurement is divided into three levels, that is, the first level input value is the unadjusted quotation of the same assets or liabilities in the active market that can be obtained on the measurement day; the second level input value is a directly or indirectly observable input value of related assets or liabilities in addition to the first level input value; the third level input value is an unobservable input value of the related assets or liabilities. The level of the fair value measurement result is determined by the lowest level of the input value of great significance to the fair value measurement as a whole.

(10) Bad debt provision for receivables

The Group takes the following situations as the recognition standard for bad debt losses of receivables: cancellation of debt units, bankruptcy, insolvency, significant cash flow shortfalls, serious natural disasters, etc., which lead to production suspension and inability to debt payment within the foreseeable time; the debt obligation has been overdue for more than three years; other conclusive evidence indicates that the recovery is impossible or unlikely.

Possible bad debt losses are accounted by using the allowance method, and impairment tests are performed individually or in portfolios at the end of the period. Provision for bad debt is made and recorded in current profit or loss. After being approved by the Group in accordance with established procedures, receivables proved to be truly uncollectible with conclusive evidence are regarded as bad debt losses and written off against provision for bad debts.

1. Receivables with a single significant amount and a single provision for bad debts

Criterion or amount standard for a single item of significant amount	Receivables with a single amount in excess of RMB 50 million are regarded as significant receivables
Method of making a single provision for bad debts with a single significant amount	Provision for bad debts is made on the difference between the present value of its future cash flows and its book value

Provision for bad debt receivables is made according to the portfolio of credit risk characteristics

Portfolio 1	The portfolio is divided by the aging of receivables as credit risk characteristics
Portfolio 2	Deposits, claims secured by mortgage, claims against government, claims on long-term strategic partners, microfinance, pawn broking business, etc.
Portfolio 3	Inter-company receivables and employee reserves
Method of provisio	n for bad debts on a portfolio basis
Portfolio 1	Aging analysis method
Portfolio 2	Recognition is based on the difference between the book value and the present value of the expected future cash flow
Portfolio 3	No provision for bad debts

1)The accrued ratio of provision for bad debts of receivables in portfolio 1 using aging analysis is as follows:

Business of the Group is divided into the financial sector and the trade sector. The proportion of bad debt provision for each business sector is determined according to the credit maturity aging portfolio as follows:

i. Financial sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%
Within 1 year(including1 year)	0.00	0.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	30.00	30.00
3 to 4 years(including 4 years)	50.00	50.00
4 to 5 years(including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

ii. Trade sector

①Food trade sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%
Within1 year(including1 year)	0.00	0.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	20.00	20.00
3 to 4 years(including 4 years)	30.00	30.00
4 to 5 years(including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

②Pharmaceutical sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%
Within1 year(including1 year)	5.00	5.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	30.00	30.00
3 to 4 years(including 4 years)	50.00	50.00
4 to 5 years(including 5 years)	80.00	80.00
Over 5 years	100.00	100.00

③Steel and logistics sector

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
Within1 year(including1 year)	0.00	0.00
1 to 2 years(including 2 years)	10.00	10.00
2 to 3 years(including 3 years)	10.00	10.00

Aging	Accrued ratio of accounts receivable (%)	Accrued ratio of other receivables (%)
3 to 4 years(including 4 years)	20.00	20.00
to 5 years(including 5 years)	50.00	50.00
Over 5 years	100.00	100.00

Receivables for which a single amount is not material but for which a single provision for bad debt is made

Reasons for a single provision for bad debts	Receivables for which a single amount is not significant and for which the provision for bad debts on a portfolio basis does not reflect their risk characteristics
Method of making provision for bad debts	Provision for bad debts is made on the difference between the present value of its future cash flows and its book value

(11) Inventory

The Group's inventory mainly includes raw materials, packaging, low-value consumables, goods in process and goods in stock, etc.

Inventories are valued at actual cost at the time of acquisition under the perpetual inventory system. The actual cost of inventories received or issued is determined using the weighted average method. Low-value consumables and packaging materials are amortized by the 50/50 amortization method.

Closing inventory is priced at the lower value between cost and net realizable value. For the part of the inventory that is expected to be unrecoverable due to damages, obsolete in whole or in part, or the selling price being below cost, inventory falling price reserves are withdrawn. Inventory falling price reserves of goods in stock and bulk raw materials are withdrawn according to the difference between the cost of an individual inventory item and its net realizable value. Inventory falling price reserves of other raw and auxiliary materials with large quantity and low unit price are withdrawn according to categories.

The net realizable value of inventory of goods used directly for sale such as inventory, goods in process and materials for sale, is determined at the estimated selling price of the inventory less estimated selling expenses and related taxes. The net realizable value of the inventory of goods used for production is determined on the basis of the estimated selling price of the finished products less the cost, estimated selling expenses and related taxes that will be incurred at the time of completion.

(12) Other current assets

The Group's other current assets mainly account for entrusted loans, borrowing funds, etc.

The principal of the entrusted loan is recorded according to the amount of the loan actually lent by the entrusted financial institution. At the end of the period, interest receivables are calculated according to the loan principal and the applicable interest rate.

For overdue external loans with a single significant amount at the end of the period, the Group conducts an impairment test separately and recognizes loan impairment losses based on the difference between the present value of future cash flows and the book value, and makes provision for loan impairment accordingly. The overdue external loans with a single significant amount refer to the overdue external loans with a single amount exceeding RMB 50 million at the end of the period.

The Group regularly assesses the impairment losses on loan portfolios, in addition to separately assessing impairment losses on overdue external loans with a single significant amount that have been identified. The Group makes a judgment on whether there are

impairment signs of expected future cash flows reduction in the loan portfolio to determine whether a loan impairment provision is needed. Signs of impairment that lead to a reduction in expected cash flows include deterioration in the repayment ability of borrowers in the financial portfolio, or an adverse change in the economic environment in which the borrower lives that leads to a default in the borrower of the financial portfolio.

The Group divides the loan assets with similar credit risk characteristics and the outstanding loan interests into different portfolios. Based on the historical experience of losses in the loan asset portfolio with similar credit risk characteristics, the impairment provision of loans is calculated and withdrawn at the following proportion:

Loan portfolio	Accrued ratio
Normal loans	1.50%
Interest loans	3.00%
Secondary loans	30.00%
Doubt loans	60.00%
oss loans	100.00%

- (13) Long-term equity investment
- 1. Determination of control, joint control or significant influence over the investee

The Group's long-term equity investments mainly comprise equity investments held by the Group that are capable of exercising control and significant influence over its investees, as well as equity investments in its joint ventures.

Control means that the Group has authority over its investees, enjoys a variable return through participation in the investee's related activities, and has the ability to use its authority over the investees to influence the amount of its return.

Joint control means a common control over an arrangement in accordance with the relevant agreement, and decisions about activities related to the arrangement must be made with the unanimous consent of the participants sharing control. A joint venture arrangement is an arrangement that is under the common control of two or more participants. A joint venture means a joint venture arrangement in which the parties have rights only over the net assets of the arrangement. Significant influence means the power to participate in decision-making regarding the financial and operating policies of the investee unit, but does not have control or joint control with others over the development of those policies.

A significant influence is determined primarily on the basis of having representatives on an investee's board of directors or similar authorities, and is implemented through a voice in the financial and operating decision making process of the investee. The Group, directly or indirectly through its subsidiaries, owns 20% (inclusive) or more but less than 50% of voting shares in the investee, and cannot exercise significant influence if there is an clear evidence that it cannot participate in the production and operation decisions of the investee under such circumstances. In determining whether a significant influence can be exercised over an investee, the Group will consider, on the one hand, the voting shares of the investee held directly or indirectly by the Group and, on the other hand, the impact of current executable potential voting rights held by the Group and other parties following a hypothetical conversion into equity interest in the investee, such as current convertible warrants, share options and convertible corporate bonds issued by the investee.

2. Methods for determining the cost, subsequent measurement, and profit and loss recognition of long-term equity investments

If a cash payment, a transfer of non-cash assets or an assumption of debt is regarded as a merger consideration, the initial investment cost of the long-term equity investment on the combination date is based on the share of the carrying value of the acquisition of the combined party's owner's equity in the consolidated financial statements of the ultimate controlling party. The equity premium in capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of cash paid, non-cash assets transferred and debt assumed; if the equity premium in capital reserve is insufficient to offset it, the retained earnings are adjusted.

If equity securities issued are regarded as merger consideration, the initial investment cost of the long-term equity investment on the combination date is based on the share of the carrying value of the acquisition of the combined party's owner's equity in the consolidated financial statements of the ultimate controlling party, and the total face value of the shares issued is treated as capital stock. The equity premium in capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the total face value of the shares issued; if the equity premium in capital reserve is insufficient to offset it, the retained earnings are adjusted.

Business combinations not under the same control: the company accounts for the initial investment cost of long-term equity investments based on the cost of the combination determined at the date of purchase.

Agency fees such as audit, legal services, appraisal and consulting fees in business combinations and other related management fees are charged to current profit or loss when incurred. Transaction costs of equity securities or debt securities issued as merger consideration are included in the initial confirmation amount of equity securities or debt securities.

In addition to the above long-term equity investments obtained through business combinations, the long-term equity investments obtained by paying cash are recorded as investment costs according to the purchase price actually paid; the long-term equity investments acquired with the issuance of equity securities are recorded as investment costs at the fair value of the equity securities issued; the long-term equity investments invested by the investor are regarded as investment costs according to the value agreed upon in the investment contract or agreement; the investment cost of long-term equity investments acquired through debt restructuring, non-monetary asset exchanges, etc., is determined in accordance with the relevant accounting standards.

The Group applies the cost method of accounting for long-term equity investments in investees over which it is able to exercise control; for the investment of joint ventures and associates, the equity method is used.

When the cost method is used, the long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or recovered. The profits or cash dividends distributed by the investee are recognized as investment income.

When using the equity method of accounting, the initial investment cost of the long-term equity investment is not adjusted according to the difference between the initial investment cost and the share of fair value of the investee's identifiable net assets at the time of investment. The difference between the initial cost of the investment and the share of fair value of the investee's identifiable net assets at the time of investment is recognized in current profit or loss and adjusted for the cost of the long-term equity investment. Upon acquisition of

a long-term equity investment, investment income and other comprehensive income are recognized separately based on the share of net gains and losses and other comprehensive income realized by the investee in current year to which they are entitled or share, and the carrying value of the long-term equity investment is adjusted accordingly. The investor calculates the portion to be enjoyed according to the profits or cash dividends declared by the investee, and reduces the book value of the long-term equity investment correspondingly. The investor adjusts the carrying value of the long-term equity investment for other changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee, and includes it in owner's equity. In recognizing the share of net profit or loss attributable to the investee, adjustments to the net profit of the investee are made based on the fair value of each identifiable asset of the investee at the time the investment is acquired in accordance with the Group's accounting policies and accounting periods, and the net profit of the investee is to offset the proportion of unrealized gains and losses of internal transactions between joint ventures and associates in the investment enterprise calculated by the proportion enjoyed, and therefore to recognize the investment income.

3. Changes in long-term equity investments

For long-term investments that are able to exercise common control or significant influence over an investee due to additional investments or other reasons but do not constitute control, the sum of the fair value of the equity investment originally held and classified as available-for-sale financial assets, plus the cost of the additional investment, is treated as the initial investment cost under the equity method. The difference between the fair value and the carrying value, as well as the cumulative fair value changes previously recorded in other comprehensive income are transferred to the current profit or loss under the equity method. Based on the difference between the initial investment cost calculated from the above calculation and the fair value share of the identifiable net assets of the investee on the additional investment date calculated according to the new shareholding ratio after the additional investment, if the former is greater than the latter, the book value of the long-term equity investment shall not be adjusted; if the former is smaller than the latter, the book value of long-term equity investment shall be adjusted and included in the current non-operating income.

For long-term equity investments in which control can be exercised over investees that are not under the same control due to additional investments, the sum of the carrying value of the equity investment originally held plus the cost of the additional investment is used as the initial cost of the investment when the individual financial statements are prepared as the cost method of accounting. Other comprehensive income recognized as a result of using the equity method of accounting for equity investments existing prior to the date of purchase is accounted on the same basis as the investee's direct disposal of related assets or liabilities on disposal of the investment. If the equity investment held before the purchase date was classified as available-for-sale financial assets for accounting treatment, the changes in the accumulated fair value originally included in other comprehensive income is transferred to the current profit and loss when the cost method is used.

If the Group no longer has common control or significant influence over the investee due to the disposal of a portion of the equity investment or other reasons, and the remaining equity interest after disposal is classified as an available-for-sale financial asset, the difference between the fair value and the carrying value at the date of loss of common control or significant influence is recognized in profit or loss for the current period. Other comprehensive income recognized by the original equity investment as a result of the equity accounting method is accounted on the same basis as the investee's direct disposal of related assets or liabilities when the use of equity method is terminated.

If an investor loses control over an investee due to the disposal of a portion of the equity investment or other reasons, in preparing the individual financial statements, if the remaining equity interest after disposal is capable of exercising joint control or exerting significant influence over the investee, the equity method is used, and the remaining equity interest is adjusted as if the equity method of accounting had been applied from the time of acquisition; if the remaining equity interest after disposal does not exercise common control or significant influence over the investee and is classified as an available-for-sale financial asset, the difference between its fair value at the date of loss of control and its carrying value is recognized in profit or loss for the current period.

Disposal of long-term equity investments

When a long-term equity investment is disposed of, the difference between its carrying value and the price actually received is recognized in the current investment income. In the disposal of long-term equity investments accounted under the equity method, on the same basis as the investee's direct disposal of relevant assets or liabilities on the disposal of the investment, the part originally included in other comprehensive income is accounted according to the corresponding proportion.

(14) Investment property

The Group's investment properties include leased buildings.

The Group's investment properties are recorded at their cost; the cost of purchased investment properties includes the purchase price, relevant taxes and fees and other expenses directly attributable to the asset; the cost of self-constructed investment properties consists of the necessary expenses incurred before the construction of the asset reaches its intended usable state.

The Group adopts the cost model for subsequent measurement of investment properties and makes provision for depreciation or amortization over their expected operating lives and net residual value. The expected operating lives, net residual values and annual depreciation (amortization) rates of investment properties are as follows:

Category	Depreciation period (years)	Projected residual value rate (%)	Annual depreciation rate (%)	
House and buildings	20-40	0-5	5.00-2.38	
Land use rights	40,50			

When the use of investment property is changed to its own use, the investment property is converted to a fixed or intangible asset from the date of the change. Conversion of fixed assets or intangible assets into investment property from the date of change of use of the property to earn rent or capital appreciation. When a conversion occurs, the carrying value before conversion is used as the entry value after conversion.

Recognition of investment property is terminated when the property is disposed of or permanently withdrawn from use and no economic benefit is expected from its disposal. Income from the sale, transfer, obsolescence or destruction of investment properties is recognized in profit or loss for the current period after deducting their book value and related taxes and fees.

(15) Fixed assets

The Group's fixed assets refer to the tangible assets with the following characteristics at the same time, that is, the tangible assets held for the purpose of production of goods, the provision of services, rental, or operation management, and have a useful life of more than one year.

Fixed assets, including house and buildings, machinery and equipment, transportation equipment, office equipment and other equipment, are stated at cost at the time of acquisition. Among them, the cost of purchased fixed assets includes relevant taxes and fees such as purchase price and import duty, as well as other expenses that can be directly attributed to the fixed assets before the fixed assets reach the predetermined usable state; the cost of a self-constructed fixed asset consists of the necessary expenditure incurred in constructing the asset until it is ready for its intended use; fixed assets invested by investors are recorded at the value agreed upon in the investment contract or agreement, but the value agreed upon in the contract or agreement which is not fair is recorded at fair value; fixed assets leased under finance leases are recorded at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the lease commencement date.

Subsequent expenditures related to fixed assets, including repair expenditures, renovation expenditures, etc., are charged to the cost of fixed assets if they meet the conditions for recognition of fixed assets, and the book value of the replaced part is derecognized. If it does not meet the conditions for recognition of fixed assets, it is recorded to the profit and loss of the current period when it occurs.

The Group depreciates all fixed assets except for fully depreciated fixed assets that continue to be used and land that is separately accounted for. Depreciation is calculated using the average life method and is recorded in the cost or current expense of the related assets respectively, depending on the purpose. The Group's classified depreciable lives, projected net residual value rate and depreciation rate for fixed assets are as follows:

No.	Category	Depreciation period(years)	Projected residual value rate (%)	Annual depreciation rate (%)	
1 House and buildings		20-40	0-5	5.00-2.38	
2	Machinery and equipment	4-20	0-10	25.00-4.50	
3	Transport equipment	5-15	0-10	20.00-6.00	
4	Electronic equipment	3-5	0-5	33.33-19.00	
5	Office equipment	5-10	0-5	20.00-9.50	
6	Other equipment	5-12	2-5	19.60-7.92	

At the end of each year, the Group reviews the estimated useful life, estimated net salvage value and depreciation method of fixed assets, and any changes are treated as changes in accounting estimates.

When a fixed asset is disposed or no economic benefit is expected from its use or disposal, the recognition of the fixed asset shall be terminated. Income from the sale, transfer, scrapping or destruction of fixed assets, deducts its book value and related taxes, is recognized in profit or loss for the period.

(16) Construction in progress

Construction in progress is measured at actual costs incurred. Self-supported construction works are measured by direct materials, direct wages, direct construction costs, etc.; outsourced construction works are measured by construction prices to be paid, etc.; equipment installation works are measured by the value of equipment installed, installation costs, expenses incurred for commissioning, etc. to determine the project cost. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized.

On the date when the construction in progress reaches its intended use, the fixed assets are carried forward to the estimated value according to the construction budget, cost or the

actual cost of the construction, and depreciation is charged from the following month onwards. The difference in the original value of the fixed assets is adjusted after the completion of the final accounting procedures.

(17) Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary costs and exchange differences arising from foreign currency borrowings. Capitalization of borrowing costs directly attributable to the acquisition or production of capitalizable assets begins when expenditures have been incurred on the assets, borrowing costs have been incurred, and acquisition or production activities necessary to bring the assets to a predetermined state of usefulness or marketability have commenced; capitalization of capitalizable assets constructed or produced ceases when they reach a predetermined state of usefulness or marketability. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

Interest expense actually incurred during the period of the special purpose borrowing is capitalized less interest income earned on unused borrowed funds deposited with the bank or investment income earned on temporary investments; the capitalization amount is determined for general purpose borrowing based on the weighted average of asset expenditures in excess of the portion of the special purpose borrowing that is accumulated and multiplied by the weighted average interest rate of the general purpose borrowing occupied.

Assets eligible for capitalization are fixed assets, investment properties and inventories that require a significant period of time (usually refers to more than 1 year) for acquisition or production activities to reach a predetermined state of use or sale.

If there is an abnormal interruption in the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production of the asset recommences.

(18) Intangible assets

The Group's intangible assets, including land use rights, patented technology, and non-patented technology, are measured at their actual cost at the time of acquisition. Intangible assets acquired are also measured at the actual price paid and related other expenses as its actual cost. The actual cost of an intangible asset invested by investors is determined at the value agreed upon in the investment contract or agreement; but if the value agreed upon in the contract or agreement is not fair, the actual cost is determined at fair value.

Intangible assets owned by a acquiree acquired in a business combination, but not under the same control and not recognized in the Group's financial statements are only recognized as intangible assets at fair value when one of the following conditions is met in the initial recognition of the acquiree's assets: 1. the intangible assets are from contractual or other statutory rights; 2. the intangible assets are capable of being separated or subdivided from the acquiree and used for sale, transfer, grant of license, lease or exchange, either alone or together with related contracts, assets and liabilities.

The land use right is amortized on an average basis according to the years of grant from the date of transfer; patented technology, non-patented technology and other intangible assets are amortized evenly in installments according to the shortest of either expected life, the beneficial term under contract, or the effective term stipulated by law. The amortization amount is recorded in the cost of relevant assets and current profits and losses according to the beneficiary.

The estimated useful life and amortization method for intangible assets with finite lives are reviewed at the end of each year and any changes are treated as changes in accounting estimates. The expected useful life of an intangible asset with an indefinite useful life is reviewed during each accounting period. When there is evidence that the useful life of an intangible asset is finite, its useful life is then estimated and amortized over its expected useful life.

(19) Research and development

The Group's research and development expenditures are divided into research phase expenditures and development phase expenditures based on its nature and whether there is an significant uncertainty about the intangible assets that will ultimately result from the research and development activities. Research phase expenditures are charged to current profit or loss as incurred; development phase expenditures are recognized as intangible assets when the following conditions are met at the same time:

- 1. It is technically feasible to complete the intangible asset so that it can be used or sold;
- 2. There is an intention to complete and use or sell the intangible asset;
- There is a market for the product produced by the intangible asset or for the intangible asset itself;
- There are sufficient techniques, financial and other resources to support the completion of the development of the intangible asset, and there is an ability to use or sell the intangible asset;
- 5. Expenditures attributable to the development phase of the intangible asset can be measured reliably.

Expenditures in the development phase that do not meet the above conditions are charged to current profit or loss as incurred. Development expenses that have been included in profit and loss in the early stage will not be recognized as assets in the later period. Expenditures in the development phase that have been capitalized are shown as development expenditures on the balance sheet and are transferred to intangible assets from the date the project reaches its intended use.

(20) Long-term unamortized expenses

The Group's long-term unamortized expenses are renovation costs and lease costs of fixed assets that have been expended but are to be borne by the current and future periods with an amortization period of more than one year (excluding one year), which are amortized equally over the benefit period. If a long-term unamortized expenses item does not benefit future accounting periods, the amortized value of the item that has not been amortized is fully transferred to the current profit and loss.

(21) Goodwill

Goodwill is the difference between equity investment cost or cost of a business combination not under common control, and the share of fair value of the net identifiable assets of the investee or acquiree that should be enjoyed or acquired in the business combination at the date of acquisition or the date of purchase.

Goodwill relating to subsidiaries is shown separately on the consolidated financial statements. Goodwill relating to associates and joint ventures is included in the carrying value of long-term equity investments.

(22) Impairment of non-financial long-term assets

The Group examines items such as long-term equity investments, fixed assets, construction in progress, and intangible assets with finite useful lives at each balance sheet date, and performs an impairment test when the following indications exist that an asset may be impaired. Goodwill and intangible assets with indefinite useful lives are tested for impairment at the end of each year, regardless of whether there are indications of impairment. If it is difficult to test the recoverable amount of a single asset, the test is based on the asset group or combination of the asset group to which the asset belongs.

If, after the impairment test, the carrying amount of the asset exceeds its recoverable amount, the difference is recognized as an impairment loss. Once the impairment loss is recognized, it is not reversed in subsequent accounting periods. The recoverable amount of an asset is the higher of either the fair value of the asset after deducting disposal costs, or the present value of the asset's expected future cash flow.

Indications of impairment are as follows:

- The market price of the asset falls sharply in the current period, which is significantly higher than the expected decline due to the passage of time or normal use;
- The economic, technological or legal environment in which an enterprise operates and the market in which its assets are located will undergo significant changes in the current period or in the near future, thus adversely affecting the enterprise;
- 3. Market interest rates or other market rates of return on investment have increased in the current period, which affects the enterprise's discount rate for calculating the present value of the asset's expected future cash flows, resulting in a significant reduction in the recoverable amount of the asset;
 - 4. There is evidence that the asset is obsolete or that the entity is damaged;
 - 5. Assets have been or will be idle, terminated or planned to be disposed of in advance;
- 6. Evidence reported internally by the enterprise shows that the economic performance of the asset has been or will be lower than expectation, for example, the net cash flow generated by the asset or the realized operating profit (or loss) is much lower than (or higher than) the expected amount;
 - 7. Other indications that an asset may have been impaired.
 - (23) Employee remuneration

The Group's employee compensation refers to all forms of remuneration or compensation given by the Group for services rendered or terminated by employees, including short-term remuneration, post-employment benefits, severance benefits and other long-term employee benefits. Benefits provided by the Group to the employee's spouse, children, dependents, wills of deceased employees and other beneficiaries are also considered as employee compensation.

1. Short-term compensation, which is the employee compensation that the Group is required to pay in full within twelve months after the end of the annual reporting period in which the employee provides relevant services, except for compensation for the termination of the employment relationship with employees. The Group's short-term remuneration specifically includes: employee salaries, bonuses, allowances and subsidies, employee benefits, social insurance such as medical insurance, work injury insurance and maternity insurance, housing funds, labor union operating funds and employee education funds, short-term paid absences, short-term profit sharing plans, non-monetary benefits and other short-term remuneration.

The Group recognizes the actual short-term remuneration incurred as a liability in the accounting period in which the services are rendered by the employees, and charges it to current profit or loss or to the cost of the related asset according to the beneficiary of the services rendered by the employees. Post-employment benefits refer to the various forms of remuneration and benefits provided by the Group after the employees retire or terminate their labor relations with the Group in order to obtain the services provided by the employees, except for short-term compensation and severance benefits.

The Group's defined contribution plan refers to the basic pension insurance and unemployment insurance and enterprise annuity paid for employees in accordance with the relevant regulations of the local government. In the accounting period in which the employee provides services to the Group, the amount payable is calculated on the basis and proportion of the locally required contribution. The amount payable is recognized as a liability and charged to current profit or loss or to the cost of the related asset.

The Group attributes the benefit obligation arising from defined benefit plans to the period in which the employee provides the service according to a formula determined using the expected cumulative units of benefit method, and charges it to current profit or loss or the cost of the related asset. The deficit or surplus arising from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net liability or net asset of a defined benefit plan. If a defined benefit plan has a surplus, the Group measures the net assets of the defined benefit plan at the lower between the surplus of the defined benefit plan and the asset limit.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the annual reporting period in which the employee provides services, are discounted based on Treasury bonds or market yield of high-quality corporate bonds in active markets that match the maturity and currency of the defined benefit plan obligations on balance sheet date.

Service costs incurred on defined benefit plans and net interest on net liabilities or net assets of defined benefit plans are charged to current profit or loss or the cost of the related assets. Changes arising from the remeasurement of the net liability or net assets of defined benefit plans are recorded in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods.

On the settlement of a defined benefit plan, a settlement gain or loss is recognized on the difference between the present value of the defined benefit plan obligation and the settlement price determined on the settlement date.

2. Severance benefits are compensation given to employees by the Group to terminate the employment relationship with employees before the expiration of their employment contracts, or to encourage employees to voluntarily accept redundancy. If employees do not terminate their employment contract with the Group, but no longer provide services to the Group in the future and do not bring economic benefits to the Group, the Group undertakes to provide financial compensation that is in essence a dismissal benefit. In the event of "internal retirement", the employees should be treated in accordance with severance benefits prior to their official retirement date, and with post-employment benefits after their official retirement date.

When the Group provides severance benefits to employees and cannot unilaterally withdraw the termination benefits provided due to a labor termination or a reduction proposal, the Group recognizes either the earlier restructuring costs, or expenses related to the payment of termination benefits. The Group recognizes employee compensation liabilities arising from severance benefits and recognizes it in current profit or loss.

For severance benefits that are not expected to be fully paid within twelve months after the end of the annual reporting period, and for severance plans where substantive severance work is implemented within one year but compensation is paid in more than one year, the Group selects the appropriate discount rate and measures the amount of severance benefits that should be recorded into the current profit and loss by the discounted amount.

 Other long-term employee benefits refer to all employee compensation other than short-term compensation, post-employment benefits, and severance benefits, including long-term paid absences, long-term disability benefits, and long-term profit-sharing plans, etc.

Other long-term employee benefits provided by the Group to its employees, which are eligible for the defined contribution plan, are accounted in accordance with the relevant provisions of the defined contribution plan. The Group provides other long-term employee benefits to employees; for those which meet the conditions of the defined benefit plan, the Group confirms and measures the net negative components of other long-term employee benefits in accordance with the relevant provisions of the defined benefit plan: service costs; net interests on net liabilities or net assets of other long-term employee benefits; changes arising from the remeasurement of other long-term employee benefits net liabilities or net assets. The total net amount is booked into the current profit and loss or the cost of related assets.

(24) General risk preparation

The Group's company conducting entrusted lending business makes provision for general risk from net profit in accordance with the regulation of the Ministry of Finance's Measures for the Management of the Provision for Financial Enterprises(Caijin [2012] No. 20) to make up for potential losses on unidentified risky assets. The balance of general risk provision is not less than 1.50% of the closing balance of risky assets.

(25) Bonds payable

The Group's bonds payable are measured at fair value on initial recognition and the related transaction costs are included in the initial recognition amount. The subsequent measurement is based on the amortized cost.

The difference between the price paid for bonds and the total face value of bonds is treated as a premium or discount on the bond and amortized over the life of the bond at the time of interest accrual using the effective interest rate method, and is treated in accordance with the principles for the treatment of borrowing costs.

(26) Estimated liabilities

The Group recognizes a liability when operations related to contingencies such as external guarantees, commercial promissory note discounting, pending litigation or arbitration, product quality assurance meet the following conditions at the same time: the obligation is a present obligation of the Group; the performance of the obligation is likely to result in the outflow of economic benefits from the enterprise; the amount of the obligation can be reliably measured.

The estimated liabilities are initially measured in accordance with the best estimate of the expenditure required to fulfill relevant current obligations, and factors such as risks, uncertainties, and time value of money related to contingencies are considered comprehensively. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The carrying value of the projected liability is reviewed on each balance sheet date; if there is a change, the book value is adjusted to reflect the current best estimate.

(27) Revenue recognition principle

The Group's operating revenue mainly includes revenue from the sale of goods, the provision of services and the transfer of the right to use assets, and the revenue recognition principles are as follows:

1. Sale of goods

Revenue from the sale of commodities is recognized by the Group when the primary risks and rewards of ownership of the commodities have been transferred to the buyer, neither the right of continued management normally associated with ownership is retained nor effective control over the commodities sold is exercised, the amount of revenue can be measured reliably, the associated economic benefits are likely to flow into the enterprise, and the associated costs incurred or to be incurred can be measured reliably.

2. Rendering of Services

The Group recognizes the labor service revenue when: the total revenue and total cost of labor service can be measured reliably; it is probable that the economic benefits associated with the labor service is very likely to flow into the Group; and the progress of completion of the labor service can be determined reliably. On balance sheet date, when the outcome of labor service delivery transactions can be estimated reliably, the related labor service revenue is recognized under the percentage of completion method which is determined as a measurement of work performed; when the result of a service delivery transaction cannot be reliably estimated and the incurred service costs are expected to be reimbursed, revenue from labor service is recognized at the amount of service costs incurred that can be reimbursed and the service costs already incurred are carried forward; if the result of the service delivery transaction cannot be estimated reliably and it is expected that all the service costs incurred will not be compensated, the service costs incurred will be charged to current profit and loss and no service revenue will be recognized.

3. Income from the assignment of the right to use assets

When the economic benefits related to the transaction are likely to flow into the Group and the amount of income can be measured reliably, the realization of the income from the assignment of the right to use the assets is recognized.

The Group's income from the right to use the assigned assets is mainly from guarantee business, entrusted loan business and small loan business.

1) Income from guarantee business

Revenue from guarantee business includes guarantee fee income, comprehensive service fee income (assessment fees, etc.), recovery income, etc.

Revenue from guarantee operations is recognized when the following conditions are met at the same time:

- A guaranty contract is formed and the corresponding guaranty responsibility is assumed;
- The economic benefits associated with the guarantee contract can flow into the enterprise;
 - 3 Income related to the contract of guarantee can be measured reliably.
 - 2) Income from entrusted loan business and small loan business

Income from entrusted loan business and income from small loan business include interest income, comprehensive service fee income, etc. Interest income is recognized over the life of the customer's business at the principal amount of the loan and at the applicable

interest rate on an accrual basis principle. Comprehensive service fee income is recognized when the service is rendered and the amount received can be measured reliably.

(28) Government grants

Government grants represent the Company's acquisition of monetary and non-monetary assets from the Government at no cost. Government grants are recognized when the Group is able to meet the conditions attached and receive them.

If the government subsidy is a monetary asset, it shall be measured according to the amount actually received. If the subsidy is allocated according to fixed quota standard, or if there is conclusive evidence at the end of the period that the relevant conditions stipulated by the financial support policy can be met and the financial support fund is expected to be received, it shall be measured according to the receivable amount. If the government subsidy is a non-monetary asset, it shall be measured in accordance with fair value; if fair value cannot be obtained reliably, it shall be measured according to the nominal amount (RMB 1 yuan).

The Group's government grants are divided into asset-related government grants and revenue-related government grants. Of which, asset-related government grants are those acquired by the Group and used to acquire and construct, or otherwise form long-term assets; revenue-related government grants, which are government grants other than those related to assets. If the government documents do not specify the recipients of the subsidies, the Group makes judgments based on the above principles of differentiation, and if it is difficult to differentiate, it is classified as a whole as revenue-related government grants.

Government grants related to assets are recognized as deferred income.

Government grants related to assets recognized as deferred income are allocated evenly through profit or loss over the useful life of the related assets.

If the related asset is sold, transferred, scrapped or destroyed before the end of its useful life, the undistributed balance of the related deferred income is transferred to the profit or loss in the period in which the asset is disposed of.

Government grants related to revenue used to compensate for related costs or losses in future periods are recognized as deferred income and charged to current profit or loss in the period in which the related costs or losses are recognized. Government grants related to revenue used to compensate for related costs or losses already incurred are charged directly to current profit or loss. Government grants related to routine activities are recognized in other income on the basis of the substance of the economic operations. Government grants not related to routine activities are included in non-operating income and expenditure.

(29) Deferred income tax assets and deferred income tax liabilities

The Group's deferred tax assets and deferred tax liabilities are recognized based on the difference (temporary difference) between the tax bases of assets and liabilities and their carrying values. Deferred tax assets are recognized as temporary differences for deductible losses and tax credits that can be offset against taxable income in future years under the tax laws. On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

The Group recognizes deferred income tax assets generated by the deductible temporary difference to the extent that it is likely to obtain the taxable income amount used to offset the deductible temporary difference. For the recognized deferred income tax assets, when it is expected that it is unlikely to obtain enough taxable income amount to offset the deferred income tax assets in the future period, the carrying value of the deferred income tax assets

shall be written down. Write-downs are reversed when it is probable that sufficient taxable income will be available.

(30) Lease

The Group divides leases into finance leases and operating leases on the lease commencement date.

A finance lease is a lease that substantially transfers all risks and rewards associated with the ownership of an asset. If the Group is the lessee, the lower of the fair value of the leased asset and the present value of the minimum lease payments on the commencement date of the lease is taken as the recorded value of the leased asset, the minimum lease payments are taken as the recorded value of long-term payables and the difference is treated as an unrecognized finance charge at the beginning of the lease term.

An operating lease is a lease other than a finance lease. The rents of the Group as the lessee are recorded into the cost of relevant assets or current profits and losses in each period of the lease term according to the straight-line method, while the rents of the Group as the lessor are recognized as income in each period of the lease term according to the straight-line method.

(31) Fair value measurement

1. Fair value initial measurement

For the assets and liabilities measured by fair value, the Group takes into account the characteristics of the assets or liabilities and measures the fair value by adopting the price that a market participant would have to pay to sell an asset to receive or transfer a liability in an orderly transaction on the measurement day. When relevant assets or liabilities are measured at fair value, the transactions of market participants selling assets or transferring liabilities on the measurement date are orderly transactions under the current market conditions; orderly transactions in which an asset is sold or a liability is transferred take place in the principal market for the asset or liability concerned. If no principal market exists, the transaction is assumed to take place in the most advantageous market for the underlying asset or liability; the assumptions that market participants would use to maximize their economic benefits in pricing the asset or liability are adopted. When measuring non-financial assets at fair value, the ability of market participants to put the asset to its best use to generate economic benefits, or the ability to sell the asset to other market participants who can put it to best use to generate economic benefits is considered.

2. Valuation technique

In measuring the underlying assets or liabilities at fair value, the Group uses valuation techniques that are applicable in the current circumstances and are supported by sufficient available data and other information. The main valuation techniques used include the market approach, the income approach and the cost approach. When applying valuation techniques, the relative observable input values are preferred; unobservable input values shall be used only if the relative observable input values are not available or not feasible to obtain.

3. Fair value hierarchy

The Group determines the hierarchy of the fair value measurement results based on the lowest level at which the inputs that are significant to the fair value measurement as a whole fall: The level 1 input is the unadjusted quoted price in an active market for the same asset or liability that was available on the measurement date. An active market is one in which the underlying asset or liability is traded in sufficient volume and frequency to provide pricing information on an ongoing basis. Level 2 inputs are inputs that are directly or indirectly

observable for the underlying asset or liability in addition to the level 1 inputs. Level 3 inputs are unobservable inputs for the underlying asset or liability.

V. Statement of accounting policies, changes in accounting estimates and corrections of errors

- (1) Change and impact of accounting policies
- 1. Implementation of the Cai Kuai [2019] No. 6 and No.16

On April 30th, 2019, the Ministry of Finance issued the Notice on Revising and Issuing the Format of General Corporate Financial Statements for 2019 (Cai Kuai [2019] No. 6) and on September 19th, 2019, the Notice on Revising and Issuing the Format of Consolidated Financial Statements (2019 Edition) (Cai Kuai [2019] No. 16) was issued, which have revised the formats of general corporate financial statements and consolidated financial statements. In addition to the presentation changes due to the new standard on financial instruments, new income standard and new leasing standard, the aforementioned documents have revised the balance sheet, the income statement, the cash flow statement and the statement of changes in equity: "notes receivable and accounts receivable" are divided into "notes receivable" and "accounts receivable"; "notes payable and accounts payable" are divided into "notes payable" and "accounts payable"; "receivable financing" are newly added; "gain on derecognition of financial assets measured at amortized cost" are added under "investment income"; the presentation position of some items in the income statement are adjusted. The Group applies the retrospective adjustment method of adjusting comparative data for comparative accounting periods in accordance with relevant regulations.

 The impact of the Group's implementation of the above provisions on the balance sheet related items as at December 31st, 2018 is presented as follows:

No.	Item	December 31 st , 2018						
140.	item	Before adjustment	Adjustment amount	After adjustment				
1	Notes and accounts receivable	1,275,812,445.74	-1,275,812,445.74					
2	Notes receivable		28,744,734.00	28,744,734.00				
3	Accounts receivable		1,215,008,108.20	1,215,008,108.20				
4	Notes and accounts payable	2,409,699,931.28	-2,409,699,931.28					
5	Notes payable		988,582,888.79	988,582,888.79				
6	Accounts payable		1,423,419,296.63	1,423,419,296.63				

Note: The difference of RMB 32,059,603.54 between the before and after adjustment amounts for notes and accounts receivable, and the difference of RMB 2,302,254.14 between the before and after adjustment amounts for notes and accounts payable are adjustments for accounting errors at the beginning of the year, see Note V. (3) "Early error correction and impact". The above differences are not due to the implementation of Cai Kuai [2019] No.6 and No.16.

As a result of the above requirements, some items in the financial statements for the current and comparative periods are presented differently, but it has no impact on the Group's consolidated net profit, parent company's net profit, consolidated shareholders' equity, and parent company's shareholders' equity for the current and comparative periods.

(2) Changes and impacts of accounting estimates

There were no changes in accounting estimates during the reporting period.

- (3) Important early error correction and impact
- 1. Development Investment Company, a secondary enterprise of the Group, made provision for impairment losses on the outstanding receivables in 2018 and before 2018, and reduced undistributed profits at the beginning of the year by RMB 367,296,235.91; the accounts receivable was reduced by RMB 40,117,462.20 and other receivables were reduced by RMB 327,178,773.71. The undistributed profit in the consolidated statement was reduced by RMB 102,254,599.15 at the beginning of in current year compared with that at the end of last year, and the minority shareholders' equity was reduced by RMB 265,041,636.76 compared with that at the end of last year.
- 2. Effect of changes in the Group's scope of consolidation during the reporting period on adjustments to the opening balance
- 1) Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd. and Wuhan Yangtze River Economy United Development Co., Ltd., secondary enterprises of the Group, hold 30% equity of Wuhan Yangluo Port Services Co., Ltd. respectively, which neither met the equity control conditions at the individual level of secondary companies. At the group consolidation level, the total voting rights to Wuhan Yangluo Port Services Co., Ltd. reached 60%, which has met the condition of being able to control, so it is included in the group consolidation scope and retrospectively adjusted the 2018 consolidated statements. After the adjustment, the amount of undistributed profits in the consolidated statement is reduced by RMB 3,002,511.00, the amount of owner's equity attributable to parent company is reduced by RMB 17,581,623.05, and the amount of equity of minority shareholders is increased by RMB 27,522,293.74.

2)Wuhan Trade State-owned Holding Group Co., Ltd.(hereinafter referred to as "Wuhan Trade Group"), a secondary enterprise of the Group, entered into a gratuitous transfer agreement on Wuhan Grain & Oil Storage Co., Ltd.(including its subsidiaries) with Wuhan Municipal Development and Reform Commission in 2018. The transfer date agreed in the agreement is September 30th, 2018, and the approval date of the transfer by the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government is May 23rd, 2019. As a result, in the audit of the 2019 Annual Report, Wuhan Trade Group included Wuhan Grain & Oil Storage Co., Ltd.(including its subsidiaries) in the scope of consolidation and adjusted the consolidated statements for 2018 retrospectively. After the adjustment, the amount of undistributed profits in the consolidated statement is reduced by RMB -165,122.84, the amount of owner's equity attributable to parent company is increased by RMB 61,573,546.68, and the amount of equity attributable to minority shareholders is increased by RMB 60,386,707.27.

i. Comparison of the above matters 1) and 2) before and after adjustments of the opening balance in the consolidated balance sheet for 2019

Item	Opening balance (before adjustment)	Adjustment amount	Opening balance (after adjustment)	
Current assets:				
Cash and cash equivalent		143,469,306.97	143,469,306.97	
Accounts receivable		8,057,858.66	8,057,858.66	
Prepayment		3,209,857.72	3,209,857.72	
Other receivables		190,134,295.27	190,134,295.27	
Inventories		165,958,516.47	165,958,516.47	
Other current assets		44,423,437.22	44,423,437.22	

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item	Opening balance (before adjustment)	Adjustment amount	Opening balance (after adjustment)
Total current assets		555,253,272.31	555,253,272.3
Non-current assets:			
Available-for-sale financial assets		20,795,000.00	20,795,000.00
Fixed assets		59,491,932.02	59,491,932.02
Construction-in-progress		529,894,086.49	529,894,086.49
Intangible assets		121,722,595.31	121,722,595.31
Long-term amortized costs		43,800.00	43,800.00
Deferred tax assets		25,037.50	25,037.50
Total non-current assets		731,972,451.32	731,972,451.32
Total assets		1,287,225,723.63	1,287,225,723.63
Current liabilities:			7,100,7100,7100
Short-term borrowings		136,619,800.00	136,619,800.00
Accounts payable		2,302,254.14	2,302,254.14
Deposit received		15,553,604.81	15,553,604.81
Staff remuneration payable		2,969,967.90	2,969,967.90
Taxes payable		244,344.49	244,344.49
Interest payable		16,161,477.77	16,161,477.77
Other payables		329,013,748.21	329,013,748.21
Total current liabilities		502,865,197.32	502,865,197.32
Long-term borrowings		559,000,000.00	559,000,000.00
Long-term payables		1,089,827.54	1,089,827.54
Deferred income		35,537,407.97	35,537,407.97
Total non-current liabilities		595,627,235.51	595,627,235.51
Total liabilities		1,098,492,432.83	1,098,492,432.83
Owners' equity(or stockholders' equity):			
Paid-in capital		105,795,000.00	105,795,000.00
Capital reserve		68,596,234.58	68,596,234.58
Surplus reserve		1,564,825.37	1,564,825.37
Undistributed profits		11,390,773.93	
Total owner's equity attributable to		187,346,833.88	11,390,773.93
parent company Minority interests		architecture pure	187,346,833.88
Total owners' equity		1,386,456.92	1,386,456.92
Total liabilities and owner's equity		1,287,225,723.63	1,287,225,723.63

ii. Comparison of the above matters 1) and 2) before and after adjustments of the

comparative figures (with 2018) in the consolidated income statement for 2019

Item	Same period last year (before adjustment)	Adjustment amount	Same period last yea (after adjustment)
I. Total operating revenue		38,733,720.56	38,733,720.56
Including: Operating income		38,733,720.56	38,733,720.56
II. Total operating cost		49,556,537.62	49,556,537.62
Including: Operating cost		37,002,852.14	37,002,852.14
Operating taxes and surcharges		455,387.96	455,387.96
Selling expenses		1,809,564.05	1,809,564.05
General and administrative expenses		9,288,080.68	9,288,080.68
Financial expenses		900,502.79	900,502.79
Impairments loss of assets		100,150.00	100,150.00
Other			
Add: Gains from change in fair value			
Investment income			
Other income		7,350,993.27	7,350,993.27
III. Operating profit		-3,471,823.79	-3,471,823.79
Add: Non-operating income		20,991.68	20,991.68
Less: Non-operating expenditure		23,995.92	23,995.92
IV. Total profit		-3,474,828.03	-3,474,828.03
Less: Income tax expenses		-25,037.50	-25,037.50
V: Net profit		-3,449,790.53	-3,449,790.53
Net profit attributable to owners of the parent company		-3,423,518.33	-3,423,518.33
*Minority gains and losses		-26,272.20	-26,272.20
Gains and losses from continuing operations		-3,423,518.33	-3,423,518.33
Gains and losses from discontinued operations			
VI. Net amount of other comprehensive income after tax			
The net after-tax value of other comprehensive income attributable to the owner of parent			
Other comprehensive income that cannot be reclassified into profit and loss			
Other comprehensive income that will be reclassified into profit and loss			
*The net after-tax value of other comprehensive ncome attributable to minority shareholders			
/II. Total comprehensive income		-3,449,790.53	-3,449,790.53
Total comprehensive income attributable to owners of the parent company		-3,423,518.33	-3,423,518.33
Total comprehensive income attributable to minority hareholders		-26,272.20	-26,272.20
III. Earnings per share			

Item	Same period last year (before adjustment)	Adjustment amount	Same period last year (after adjustment)
Basic earnings per share			
Diluted earnings per share			

(4) Other adjustments

1.In 2019, the Company accepted the transfer of 472,044,999 shares of Hankou Bank from shareholders of Hankou Bank Co., Ltd.(hereinafter referred to as "Hankou Bank")-Wuhan Kaixuanmen Hailuo Investment Management Co., Ltd., Wuhan Credit Risk Management Co., Ltd., National Trust Co., Ltd., Wuhan Construction Investment Co., Ltd. and Wuhan Changxin Asset Management Co., Ltd. After the transfer, the Company holds a total share of 472,044,999 that accounts for 11.44% of the total equity of Hankou Bank.

Development Investment Company, a secondary enterprise of the Group, held 337,500,000 shares of Wuhan Commercial Bank (note: the predecessor of Hankou Bank) in 2007 which accounts for 8.18% of the total equity of Hankou Bank. It is accounted for as equity instrument investment in available-for-sale financial assets and subsequently measured at cost.

The Company accounts for its 11.44% equity in Hankou Bank, which was transferred in 2019, as an investment in an equity instrument in the long-term equity investment. As the total shareholding ratio of the Company and the Development Investment Company in Hankou Bank reaches 19.62% and one director is stationed in the board of directors, which has a significant impact on Hankou Bank, the Company adopts the equity method to measure it subsequently. Development Investment Company adjusted its investment in Hankou Bank's equity instruments from available-for-sale financial assets to long-term equity investments in 2019, which is subsequently measured by the equity method.

The impact of this event on the Group's consolidated statement is as follows: the long-term equity investment was increased by RMB 3,404,883,249.30; the available-for-sale financial assets were reduced by RMB 435,375,000.00; the undistributed profit was increased by RMB 1,531,611,799.10 at the beginning of the year; the capital reserve was increased by RMB 1,366,436,878.60; other comprehensive income was increased by RMB 71,459,571.60.

- 2. Industry Investment Company and Construction Investment Company respectively hold 0.33% and 2.80% equity of Wuhan Credit Microfinance Co., Ltd., a new consolidated unit of Development Investment Company in 2019, which were accounted for as available-for-sale financial assets. At the level of group consolidation, it was adjusted to long-term equity investments and accounted for under the equity method; the undistributed profit at the beginning of the year was increased by RMB 11,767,292.18; the general risk reserve was increased by RMB 1,070,153.52.
 - 3. See Note X. "Events after the balance sheet date" (2).
 - 4. See Note X. "Events after the balance sheet date" (7).
 - (5) The names and corrected amounts of the equity items affected by the above matters in the consolidated financial statement are as follows:

	Item	End of previous year	Beginning of the year
l.	Total owner's equity	33,945,827,374.89	35,883,471,158.94
II.	Total owner's equity attributable to parent company	14,409,125,472.75	17,128,506,116.93
Inclu	uding: undistributed profits	1,758,352,856.71	2,994,774,973.54

Item	End of previous year	Beginning of the year	
III. Minority interests	19,536,701,902.14	18,754,965,042.01	

VI. Taxation

(1) Main tax categories and tax rates

Tax categories	Taxation basis	Tax rates	
Corporate income tax	Taxable income	15%,25%	
VAT	The output tax is calculated on the basis of the income from sales of goods and taxable services calculated in accordance with the provisions of the tax law, and the difference is the amount of VAT payable after deducting the input tax deductions allowed for the current period.	16%,13%,10%,9%,6%. percentage charges 3%,5%	
City maintenance and construction tax	Turnover tax payable	7%	
Education surtax	Turnover tax payable	3%	
Local education supplementary tax	Turnover tax payable	1.5%,2%	

(2)Tax incentives and approvals

- 1. On November 15th, 2019, Wuhan Changlian Laifu Pharmaceutical Co., Ltd., a subsidiary of the Group, obtained the Certificate of Advanced Technology Enterprises jointly issued by the Hubei Provincial Science Technology Department, the Hubei Provincial Department of Finance and the State Administration of Taxation Hubei Taxation Bureau. The certificate number is GR201942002015 and the validity period is three years. The Company's corporate income tax rate for 2019, 2020 and 2021 is 15%.
- 2. Wuhan Changxin Asset Management Co., Ltd., a subsidiary of the Group, is a small and micro business. According to the Announcement on Issues Related to the Implementation of the Policy of Universal Income Tax Reduction and Exemption for Small and Microprofit Enterprises issued by the State Administration of Taxation, from January 1st, 2019 to December 31st, 2021, for the part of the annual taxable income of small profit-making enterprises not exceeding RMB 1 million, the portion is deducted by 25% and included into the taxable income, and the enterprise income tax is paid at the rate of 20%. For the part of annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million, the portion is deducted by 50% and included into the taxable income, and the enterprise income tax is paid at the rate of 20%.
- 3. Wuhan Non-staple Food Commercial Reserve Co., Ltd., a subsidiary of the Group, has exempted some fresh meat and egg products from value-added tax in circulation in accordance with Notice of the State Administration of Taxation on Exemption of Value-added Tax in the Circulation of Some Fresh Meat and Egg Products(Cai Shui [2012]No.75) from October 1st,2012.
- 4. Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd., a subsidiary of the Group, has carried out the regulation "VII. From April 1st, 2019 to December 31st, 2021, production and domestic service taxpayers are permitted to offset the tax payable with an additional 10% of the input tax deductible for the current period" in accordance with the Announcement of the Ministry of Finance, General Administration of Taxation and General Administration of Customs on Policies Concerning Deepening the Reform of Value-added Tax (Ministry of Finance, General Administration of Taxation and General Administration of Customs Announcement [2019] No.39) from April 1st, 2019.
- 5. Wuhan Roulian Food Co., Ltd., a subsidiary of the Group, exempts rent-based property tax and reduces price-based property tax by 91.5% in accordance with the Notice on the

Continuation of the Preferential Policies on Property Tax and Urban Land Use Tax for Wholesale Agricultural Products Markets and Farmers' Markets (Cai Shui [2016] No.1). In accordance with the Notice on the Continuation of the Preferential Policies on Property Tax and Urban Land Use Tax for Wholesale Agricultural Products Markets and Farmers' Markets (Cai Shui [2016]No.1), and the Notice on the Continued Implementation of Preferential Policies on Urban Land Use Tax for Land Used for Bulk Commodity Storage Facilities by Logistics Enterprises from the Ministry of Finance and State Administration and Taxation(Cai Shui [2017]No.33), the land use tax for land belonging to agricultural markets is fully reduced and a 50% of reduction in land for logistics.

VII. Corporate mergers and consolidated financial statements

(1) Basic information of subsidiaries included in the scope of consolidated statements

No.	Company name	Level	Business type	Main place of business	Registration n place	Nature of business
1	Wuhan Development Investment Co., Ltd.	11	1	Wuhan	Wuhan	Investment and development
2	Wuhan Communications Construction Investment Co., Ltd.	п	1	Wuhan	Wuhan	Construction and management of transportation infrastructure projects
3	Wuhan State-owned Industry Investment Co., Ltd.	11	1	Wuhan	Wuhan	Investment and development
4	Wuhan Construction Investment Co., Ltd.	11	1	Wuhan	Wuhan	Local construction investment and development
5	Wuhan Yangtze River Economy United Development Co., Ltd.	п	1	Wuhan	Wuhan	Investment and development
6	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	н	1	Wuhan	Wuhan	Food logistics industry investment and development
7	Wuhan Yangluo Development Co., Ltd.	н	1	Wuhan	Wuhan	Investment in development of zone construction
8	Wuhan Financial Assets Exchange Co., Ltd.	II	1	Wuhan	Wuhan	Financial assets trading and consulting
9	Wuhan Yangtze Financial Services Co., Ltd.	11.	1	Wuhan	Wuhan	Financial information and data processing service; Financial software technology development, etc.
10	Wuhan Rongwei Escort Security Service Co., Ltd.	н	1	Wuhan	Wuhan	Provision of escort and vault guarding services to financial institutions for cash, securities, gold, silver, jewelry and other valuables
11	Hubei Financial Leasing Co., Ltd.	11	2	Wuhan	Wuhan	Capital leasing business; transfer and assignment of financial leasing assets; interbank lending; borrowing from financial institutions; overseas borrowing; sale of leased property and disposal business, etc.
2	Wuhan Jinkong Energy Group Co., Ltd.	п	1	Wuhan	Wuhan	Investment in the petroleum, chemical new energy and logistics industries; wholesaling and retailing of refined petroleum products (excluding gasoline); corporate management consulting
3	Guotong Trust Co., Ltd.	н	2	Wuhan	Wuhan	Money trusts; trusts for movable property; trusts for immovable property; trusts for marketable securities; trusts for other property or property rights
4	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	н	1	Wuhan		Supply chain management
5	Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	11	1	Wuhan	Wuhan p	Wholesale and retail sales of petroleum products, technology development and ransfer.

No.	Company name	Level	Business type	Main place of business	Registratio n place	Nature of business
16	Wuhan International Exchange Service Center	11	1	Wuhan	Wuhan	Air passenger and freight sales agency business; educational, cultural and economic consulting services
17	Wuhan Yangluo Port Service Co., Ltd.	Ш	1	Wuhan	Wuhan	Cargo handling, loading and unloading services, information and consulting services for cargo distribution, warehousing services
18	Wuhan Trade State-owned Holding Group Co., Ltd.	II	1	Wuhan	Wuhan	Management and investment of state-owned assets

(Continued)

No.	company name	Paid-in capital	Shareholding ratio (%)	Voting right (%)	Investment	Gainin
1	Wuhan Development Investment Co., Ltd.	3,000,000,000.00	100.00	100.00	3,790,718,826.76	4
2	Wuhan Communications Construction Investment Co., Ltd.	353,000,000.00	100.00	100.00	408,351,937.63	4
3	Wuhan State-owned Industry Investment Co., Ltd.	362,872,724.87	100.00	100.00	317,044,468.03	4
4	Wuhan Construction Investment Co., Ltd.	220,000,000.00	100.00	100.00	240,821,965.54	4
5	Wuhan Yangtze River Economy United Development Co., Ltd.	395,344,019.00	96.28	96.28	442,674,255.45	4
6	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	331,000,000.00	100.00	100.00	331,000,000.00	1
7	Wuhan Yangluo Development Co., Ltd.	465,000,000.00	100.00	100.00	463,426,881.58	4
8	Wuhan Financial Assets Exchange Co., Ltd.	120,000,000.00	75.00	75.00	60,000,000.00	1
9	Wuhan Yangtze Financial Services Co., Ltd.	270,000,000.00	80.00	80.00	220,714,836.97	1
10	Wuhan Rongwei Escort Security Service Co., Ltd.	100,000,000.00	100.00	100.00	110,643,110.29	4
11	Hubei Financial Leasing Co., Ltd.	3,000,000,000.00	49.00	49.00	1,470,000,000.00	1
12	Wuhan Jinkong Energy Group Co., Ltd.	1,500,000,000.00	33.30	33.30	500,000,000.00	1
13	Guotong Trust Co., Ltd.	3,200,000,000.00	67.51	67.51	5,424,563,105.61	3
14	Wuhan Jinkong Modern Supply Chain Management Co., Ltd.	700,000,000.00	100.00	100.00	700,000,000.00	1
15	Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	16,500,000.00	33.00	100.00	16,500,000.00	1
16	Wuhan International Exchange Service Center	6,000,000.00	100.00	100.00	2,126,833.93	4
7	Wuhan Yangluo Port Service Co., Ltd.	70,000,000.00	60.00	60.00	60,000,000.00	4
.8	Wuhan Trade State-owned Holding Group Co., Ltd.	670,000,000.00	51.00	51.00	615,223,216.33	4

Note: Business type: 1. domestic non-financial subsidiaries; 2. domestic financial subsidiaries; 3. oversea subsidiaries; 4. public institutions; 5. infrastructure units.

Gaining method: 1. established by investment; 2. a business combination under common control; 3. a business combination not under the same control; 4. others.

(2) Reasons for owning less than half of the voting right of an investee but being able to exercise control over the investee

Company name	Sharehol ding ratio (%)	Voting right (%)	Registered capital	Investment amount	Level	Reason for incorporation
Hubei Financial Leasing Co., Ltd.	49%	49%	3,000,000,000.00	1,470,000,000.00	.11	With actual control

In June 2015, the Company jointly established Hubei Financial Leasing Co., Ltd. with Wuhan Rural Commercial Bank Co., Ltd. and Jointown Pharmaceutical Group Co., Ltd., which was approved by the China Banking Regulatory Commission. According to the Investment Agreement, the Company is the largest shareholder and controls the business decisions of Hubei Financial Leasing Co., Ltd.

- (3) Changes in the scope of in current year's consolidation
- 1. Details of new companies included in the scope of consolidation in current year

Company name	Shareholding ratio (%)	Net assets at year-end	Net profit for the current year	Note
Wuhan International Exchange Service Center	100.00	5,487,818.84	1,746,677.46	Note 1
Wuhan Yangluo Port Service Co., Ltd.	60.00	64,659,807.89	-2,278,351.80	Note 2
Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	33.00	17,132,869.00	632,898.94	Note 3

Note1: In accordance with the Reply on the Free Transfer of State-owned Assets of Wuhan International Exchange Service Center (Wu Guo Zi Chan Quan [2019] No.33) issued by State-owned Assets Supervision and Administration Commission of Wuhan People's Government (hereinafter referred to as "Municipal State-owned Assets Commission"), the Municipal State-owned Assets Commission transferred all the state-owned assets of Wuhan International Exchange Service Center, which is owned by the Foreign Affairs Office of the Wuhan Municipal People's Government, to the Company free of charge, with the base date of the transfer as September 30th, 2018. As of December 31st, 2019, the business change process has been completed.

Note2: Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd. and Wuhan Yangtze River Economy United Development Co., Ltd., secondary enterprises of the Group, hold 30% equity of Wuhan Yangluo Port Service Co., Ltd. respectively, which neither met the equity control conditions at the individual level of secondary companies. At the group consolidation level, the total voting rights to Wuhan Yangluo Port Services Co., Ltd. reached 58.884%, which has met the condition of being able to control, so it is included in the group's consolidation statements and retrospectively adjusted the 2018 consolidated statements.

Note3: On July 1st, 2019, the Company, together with other shareholders of Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd. (hereinafter referred to as "Jinao Guoyuan"), accepted the transfer of 100% equity from the original shareholders of Jinao Guoyuan. In accordance with the Agreement signed by the Company and other shareholders, as the largest shareholder and controlling shareholder of Jinao Guoyuan, the Company can control the operation decisions of Jinao Guoyuan. The Company incorporated Jinao Guoyuan into the consolidated statements on July 1st, 2019.

2. Original subsidiaries no longer included in the scope of consolidation in current year

Company name	Place of Registration	Nature of business	Shareholding ratio (%)	Voting right (%)	Reason for not becoming a subsidiary within the year
Wuhan Jinkong Energy Group Co., Ltd.	Wuhan	Investment in oil and chemical industry, new energy industry, logistics industry	33.30%	33.30%	Note 1

Note1: On July 1st, 2019, the Company signed the Statement by the Shareholders Acting in

Concert with other shareholders of Wuhan Jinkong Energy Group Co., Ltd. (hereinafter referred to as "Jinkong Energy"), a subsidiary of the Company. Since the Company was unable to increase its investment in Jinao (Hubei) Science & Technology Chemical Co., Ltd.(hereinafter referred to as "Jinao Technology"), a third-level company of Jinkong Energy, in order to support the accelerated transformation and upgrading development of Jinao Technology, other shareholders have formed a concerted action person since July 1st, 2019, and the Company has lost control of Jinkong Energy. The Company will no longer include Jinkong Energy in its consolidated financial statements after July 1st, 2019.

(4) Significant non-wholly owned subsidiaries

1. Minority shareholders

No.	Subsidiary names	Minority shareholdings	Profit or loss attributable to minority shareholders for the year	Dividends paid to minority shareholders in current year	Accumulated minority interests at year-end
1	Hubei Financial Leasing Co., Ltd.	51.00%	283,192,576.19	76,500,000.00	2,074,776,465.50
2	Guotong Trust Co., Ltd.	32.49%	162,598,921.18		1,909,993,758.89

2. Key financial information

Item	Amount in current year				
item	Hubei Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.			
Current assets	6,584,366,667.41	2,073,198,907.61			
Non-current assets	25,599,990,105.14	6,078,952,620.08			
Total assets	32,184,356,772.55	8,152,151,527.69			
Current liabilities	27,412,083,975.20	2,018,287,484.99			
Non-current liabilities	704,083,649.33	78,171,159.25			
Total liabilities	28,116,167,624.53	2,096,458,644.24			
Operating revenue	2,333,803,585.93	1,002,567,003.72			
Net profit	555,279,561.15	500,458,360.05			
Total comprehensive income	555,279,561.15	504,612,464.33			
Cash flows from operating activities	1,511,336,097.84	231,414,956.11			

(Continued)

Item	Amount for precious year					
Them:	Hubei Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.				
Current assets	5,520,849,973.94	3,058,616,262.40				
Non-current assets	19,847,803,894.91	5,239,805,262.37				
Total assets	25,368,653,868.85	8,298,421,524.77				
Current liabilities	21,205,637,959.05	2,702,081,661.58				
Non-current liabilities	500,106,322.93	45,259,444.07				
Total liabilities	21,705,744,281.98	2,747,341,105.65				

Item	Amount for preciou	s year
item	Hubei Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.
Operating revenue	1,691,119,711.70	1,192,163,198.10
Net profit	362,220,520.37	651,789,881.30
Total comprehensive income	362,220,520.37	647,915,474.28
Cash flows from operating activities	1,049,832,134.53	689,561,064.75

VIII. Notes on significant items in the consolidated financial statements

In the financial statement data disclosed below, "year-end" means December 31st, 2019, "beginning of the year" means December 31st, 2018, "current year" means January 1st to December 31st, 2019 and "prior year" means January 1st to December 31st 2018, unless otherwise stated, in Renminbi, unless otherwise stated.

(1) Cash

1. Cash balance

Item	Closing balance	Opening balance
Cash on hand	7,345,862.75	5,508,748.03
Bank deposit	11,380,851,989.14	8,040,740,418.65
Other monetary fund	362,944,607.81	454,594,476.53
Total	11,751,142,459.70	8,500,843,643.21
Including: Total funds held outside the country		

2. Breakdown of restricted monetary funds

Item	Closing balance	Opening balance	
Banker's Acceptance Deposit	76,484,849.77	64,330,777.01	
Letters of credit deposit	3,200,000.00		
Performance bond	243,085,672.97	246,649,663.20	
Time or call deposits for security purposes	30,019,127.98		
Others	15,197.17	14,913,310.40	
Total	352,804,847.89	325,893,750.61	

Note: Other Item is frozen Bank deposit.

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

Item	Closing fair value	Opening fair value
Trading financial assets	792,430,481.51	984,626,151.28
Including: Investments in debt instruments	473,298,474.34	844,106,905.87
Investments in equity instruments	314,980,294.17	139,397,476.41
Others	4,151,713.00	1,121,769.00
Financial assets designated as at fair value through profit or loss	3,653,136.00	13,416,041.00

Closing fair value	Opening fair value
987,000.00	13,416,041.00
2,666,136.00	
796,083,617.51	998,042,192.28
	987,000.00 2,666,136.00

(3) Notes receivable

1. Classification of notes receivable

Type of note	Closing balance				
- Type of note	Book balance	Provision for bad debts	Book value		
Bank acceptance	404,642,433.00		404,642,433.00		
Trade acceptance					
Total	404,642,433.00		404,642,433.00		

(Continued)

Type of note	Opening balance				
	Book balance	Provision for bad debts	Book value		
Bank acceptance	28,744,734.00		28,744,734.00		
Trade acceptance					
Total	28,744,734.00		28,744,734.00		

2. Closing of pledged notes receivable

Туре	Closing pledged amount
Bank acceptance	100,000,000.00
Trade acceptance	
Total	100,000,000.00

(4) Accounts receivable

1. Accounts receivable are presented by category as follows

	Closing balance				
Туре	Book balance		SECTION SOCIETY	d debts	
	Amount	Proportion (%)	Amount	Proportion (%)	
Individual Amounts Significant and Individual Provisions for bad debts receivable	237,426,193.61	19.91	148,568,169.24	62.57	
Provisions for bad debts by Credit Risk Profile Group Total	842,378,249.21	70.63	87,388,536.85	10.37	
Receivables where the individual Amounts are not material but the individual Provisions for bad debts are made	112,842,019.15	9.46	26,525,153.11	23.51	

	Closing balance			
Туре	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)
Total	1,192,646,461.97	1++	262,481,859.20	

(Continued)

V		Opening bala	palance	
Туре	Book balance		Provision for bal	debts
	Amount	Proportion (%)	Amount	Proportion (%)
Individual Amounts Significant and Individual Provisions for bad debts receivable				(10)
Provisions for bad debts by Credit Risk Profile Group Total	1,394,157,671.63	95.43	220,471,683.56	15.81
Receivables where the individual Amounts are not material but the individual Provisions for bad debts are made	66,771,341.21	4.57	25,449,221.08	38.11
Total	1,460,929,012.84		245,920,904.64	

2. Closing single amounts Significant and single provisions for bad debts receivable

Name of the debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason for provision
Jizhong Energy International Logistics Group Co. Ltd.	237,426,193.61	148,568,169.24	Above 5 years	62.57	Difficult to recover, including partial exclusion of provision for bad debts from preservation of funds
Total	237,426,193.61	148,568,169.24		62.57	

3. Provisions for bad debts by Credit Risk Profile

(1) Provision for bad debts using an Aging analysis of accounts receivable

	Closing balance				
Aging structure	Book balance		Leady and the second second second second		
	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (Including 1 year)	452,898,567.15	75.12	1,575,274.32		
1—2 year	53,406,607.75	8.86	5,295,350.24		
2—3 year	32,174,593.48	5.34	9,647,665.56		
3 — 4 year	19,373,050.92	3.21	13,262,565.70		
4—5 year					
Above 5 years	45,070,743.17	7.48	45,070,743.17		
Total	602,923,562.47		74,851,598.99		

(Continued)

	Opening balance				
Aging structure	Book balance		MATE 2004 - 20 SN 504058.3		
	Amount	Proportion (%)	Provision for bad debts		
Within 1 year (Including 1 year)	643,268,584.61	64.68	638,994.61		
1-2 year	34,279,977.93	3.45	3,336,123.28		
2-3 year	11,596,193.28	1.17	3,400,906.85		
3-4 year	9,493,955.99	0.95	7,145,918.28		
4—5 year	249,647,667.69	25,10	124,823,833.85		
Above 5 years	46,248,099.49	4.65	46,248,099.49		
Total	994,534,478.99	***	185,593,876.36		

(2) Provision for bad debts using other combinations of receivables

20022 200	Closing balance			
Portfolio Name	Book balance	Proportion (%)	Provision for bad debts	
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners, financial guarantee receivables, principal and interest on entrusted loans, etc.	110,537,226.74	11.34	12,536,937.86	
Portfolio 3 related unit transactions, employee reserves	128,917,460.00			
Total	239,454,686.74	-	12,536,937.86	

(Continued)

	Opening balance			
Portfolio Name	Book balance	Proportion (%)	Provision for bad debts	
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners, financial guarantee receivables, principal and interest on entrusted loans, etc.	279,628,899.04	12.47	34,877,807.20	
Portfolio 3 related unit transactions, employee reserves	119,994,293.60			
Total	399,623,192.64		34,877,807.20	

4. Closing single Amounts that are not material but single provision for bad debts

Name of the debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason for provision
Wuhan Jiangbei Hangxin Technology Co., Ltd.	20,243,061.41	6,072,918.42	4-5 years	30.00	February 2016 in lieu of compensation, risk classification identified as secondary
Kunming West Bus Station Co., Ltd.	27,773,200.00	833,196.00	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Zhongli Jieneng Industrial Co., Ltd.	13,500,000.00	405,000.00	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Hubei Chenkai Trading Co., Ltd.	13,327,405.36	3,998,221.60	4-5 years	30.00	2015 proxy, risk classification identified as secondary
Wuhan Julian Glass Co., Ltd.	11,123,540.00	3,337,062.00	3-4 years	30.00	Operational problems, litigated, risk identified as secondary

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Name of the	Book balance	Bad debt amour		Proportion	tements for the year 2
debtor		N SOCIAL SECTION OF THE		(%)	Reason for provision
Liu Weilin	10,046,640.00	3,001,566.0	00 2-3 years	30.00	Risk identified as secondar
RHEIN PHARMA CONSULT GMBH	7,526,008.27	7,526,008.2	7 Above 5 years	100.00	Not expected to be recovered
Wang Yi Wuhan Shengtai Real	1,674,801.84	1,004,701.1	0 3-4 years	60.00	Provision for bad debts under the category of doubtful while the first instance judgement is in effect
Estate Development Co., Ltd.	1,418,938.88	42,568.1	Within 1 year	3.00	Provision for bad debts at 3% for categories of concer
Wuhan Fengpu Technology Co., Ltd.	972,488.75	97,248.88	3 1-2 years	10.00	On account for more than one year, uncollected
Wuhan Hyperdragon Prince Wine Co., Ltd.	852,078.00	25,562.34	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Donghu Prince Food Co., Ltd.	835,634.87	25,069.05	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Hubei Wuhan Xinxiuli Slimming Beauty Co., Ltd.	712,516.13	21,375.48	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Jianzi Gourmet Co., Ltd.	697,435.84	20,923.08	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Kaku Entertainment Co., Ltd.	696,699.87	20,901.00	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Citic Architectural Design and Research Institute	468,166.00	57,317.50	1-3 years	12.24	On account for more than one year, uncollected
Wuhan Jintong Prince Gourmet Co., Ltd.	285,581.92	8,567.46	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Junyue Hongyuan Industrial Co., Ltd.	212,455.21	6,373.66	Within 1 year	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Baotlong Technology Co., Ltd.	93,936.80	2,818.10	2-3 years	3.00	Provision for bad debts at 3% for categories of concern
Wuhan Yuanchang Materials Co., Ltd.	91,475.00		2-3 years		Collateral may cover
Huazhong University of Science and Technology	68,000.00	13,600.00	2-3 years	20.00	On account for more than one year, uncollected
Wuhan Shuangchi Trading Co. Ltd.	61,195.00		2-3 years		Collateral may cover
Wuhan mustard seed Trading Co., Ltd.	53,897.00	1,616.91	4-5 years	3.00	Provision for bad debts at 3% for categories of concern
Hubei Shenghui Trading Co., Ltd.	49,323.00	1,479.69	4-5 years	3.00	January 2015 payment in lieu, waiting to seize mortgaged land, risk classification identified as 3% of concern
Wuhan Jinbi Building Materials Co., Ltd.	35,120.00	1,045.80	3-4 years	3.00	Provision for bad debts at 3% for categories of concern
Vuhan Shijia Machine tool Manufacturing Co., td.	22,000.00		1-2 years		Collateral may cover
Vuhan Sun Hung Kai roperties Co., Ltd.	400.00	12.00	2-3 years		rovision for bad debts at
/uhan Hankou ngwu Food dustrial Park Co., d.	20.00	0.60	2-3 years	3 00 P	% for categories of concern rovision for bad debts at % for categories of concern
Total	112,842,019.15	26,525,153.11	-	_	_

5. Recovered or reversed provision for bad debts

Name of the debtor	Reversal or recovery Amount	Cumulative accrual before reversal or recovery Provision for bad debts Amount	Reasons for and manner of reversal or recovery
Liu Dong and 11 other natural persons	328,054.94	328,054.94	Amount recovered
Total	328,054.94	328,054.94	2 ++ -

6. Top five receivables in the Closing Balance, aggregated by debtors

Name of the debtor	Book balance	Proportion of Total Accounts Receivable (%)	Provision for bad debts
Jizhong Energy International Logistics Group Co. Ltd.	237,426,193.61	19.91	148,568,169.24
Wuhan Industrial Investment production Management Co., Ltd.	50,000,000.00	4.19	
Wuhan Public Transport Group Co., Ltd.	39,843,185.37	3.34	
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	36,999,998.00	3.10	
Wuhan New Yangtze River Dongjing Real Estate Development Co., Ltd.	35,000,000.00	2.93	
Total	399,269,376.98	33.47	148,568,169.24

(5) Prepayments

1. Aging of prepayments

Aging	Closing balance				
	Book value	Provision for bad			
	Amount	Proportion (%)	debts		
Within 1 year (Including 1 year)	1,238,818,080.56	87.37	56,442.00		
1—2 year	8,522,316.28	0.60	14,653.72		
2—3 year	1,859,775.76	0.13	155,527.81		
Above 3 years	168,744,835.77	11.90	2,476,405.69		
Total	1,417,945,008.37	4.	2,703,029.22		

(Continued)

Aging	Opening balance				
	Book value	Provision for bad			
	Amount	Proportion (%)	debts		
Within 1 year (Including 1 year)	823,377,996.35	46.62			
1—2 year	338,049,636.13	19.14	77,763.91		
2—3 year	204,021,810.16	11.55	26,959.48		
Above 3 years	400,669,862.48	22.69	73,626,311.90		
Total	1,766,119,305.12	¥	73,731,035.29		

2. Large prepayments outstanding for more than one year

Creditor Company	Debtor Company	Closing balance	Aging	Reasons for non-settlement
Wuhan Changfa Land Co., Ltd.	Xianfeng Village Villagers' Committee	139,912,010.21	Over 3 years	Item terminated, to be withdrawn, in litigation
Wuhan Changfa Land Co., Ltd.	Hongshan Land consolidation and reserve Center	10,000,000.00	Over 3 years	Item terminated, to be withdrawn, in litigation
Wuhan Yangluo Development Co., Ltd.	Wuhan United Laser Co., Ltd.	7,550,312.00	Over 3 years	Unsettled
Wuhan Changfa Land Co., Ltd.	Wuhan Land Use and Urban Space Planning Research Center	1,500,000.00	Over 3 years	Item terminated, to be withdrawn, in litigation
Wuhan Friendship non-staple Food Commercial Co., Ltd.	Shanghai Nestle Products service Co., Ltd.	4,312,718.60	3-5 years	Discount difference, to be negotiated with Nestle
Wuhan Friendship non-staple Food Commercial Co., Ltd.	Yashili Dairy (Ma on Shan) Sales Co., Ltd.	1,530,370.57	1-3 years	In consultation with manufacturers
Total		164,805,411.38		

3. Top five prepayments of closing balance by defaulting party

Name of the debtor	Book balance	Percentage of total prepayments receivable Proportion (%)	Provision for bad debts
China National Vehicles Import and Export Co., Ltd.	187,965,500.00	13.26	
Xianfeng Village Villagers' Committee	139,912,010.21	9.87	
Shanghai Juyi International Trade Co., Ltd.	111,157,731.76	7.84	
Wuhan Zefengyuan Food Co., Ltd.	94,683,334.07	6.68	
Shanghai Biao Xin Industrial Co., Ltd.	70,690,281.69	4.99	
Total	604,408,857.73	42.64	

(6) Other receivables

Item	Closing balance	Opening balance
Interest receivable	686,385,700.91	280,849,060.17
Dividend receivable	469,860.00	68,746,390.24
Other receivables	12,495,907,103.81	9,431,218,347.70
Total	13,182,762,664.72	9,780,813,798.11

1. Interest receivable

Item	Closing balance	Opening balance
Fixed deposit		
Entrusted loan	590,621.84	
Bond investment	4,000,000.01	
Others	681,795,079.06	280,849,060.1
Total	686,385,700.91	280,849,060.1

Note: Other item capital charges payable primarily for providing funds to participating

companies.

2. Dividend receivable

Item	Closing balance	Opening balance	Reasons for non-recovery	Whether impairment has occurred and the basis for judgement
Dividends receivable less than one year old	348,020.00	1,632,013.60		
Including: 1. Wuhan Yangtze River Communication Industry Group Co., Ltd.	348,020.00		Agreed to a moratorium	No, declared not issued
2. Hubei Bank Co., Ltd.		1,632,013.60		No
Dividends receivable more than 1 year	121,840.00	67,114,376.64		
Including: 1. Huaneng Wuhan Power Generation Co., Ltd.		66,992,536.64		No
Hubel Radio and Television Information Network Co., Ltd.	121,840.00	121,840.00	Consultations in progress	No
Total	469,860.00	68,746,390.24	*	

3. Other receivables

	Closing balance						
Туре	Book balance	Provision for bad de	bts				
	Amount	Proportion (%)	Amount	Propo rtion (%)			
Others receivables where individual Amounts are significant and individual Provisions for bad debts are made	53,544,928.52	0.41	20,544,928.52	38.37			
Provision for bad debts of Others receivables by credit risk profile group Total	12,812,786,685.11	97.29	558,794,021.86	4.36			
Others receivables where the individual Amount is not material but the individual Provision for bad debts is made	303,835,458.79	2.30	94,921,018.23	31.24			
Total	13,170,167,072.42	100.00	674,259,968.61				

(Continued)

	Opening balance						
Туре	Book balance	Provision for bad debts					
	Amount	Proportion (%)	Amount	Proportion (%)			
Others receivables where individual Amounts are significant and individual Provisions for bad debts are made	53,544,928.52	0.53	20,544,928.52	38.37			
Provision for bad debts of Others receivables by credit risk profile group Total	9,662,523,496.09	95.94	529,858,939.37	5.48			
Others receivables where the individual Amount is not material but the individual Provision for bad debts is made	355,503,295.68	3.53	89,949,504.70	25.30			
Total	10,071,571,720.29	100.00	640,353,372.59				

(1) Closing single amount significant and separate provision for bad debts in other

receivables

Name of the debtor	Book balance	Bad debt amount	Aging	Proportion (%)	Reason
Hubei Tianzhou Shuncai Real Estate Co., Ltd.	53,544,928.52	20,544,928.52	Over 3 years	38.37	Judgment has been rendered, and RMB 33 million is expected to be recovered.
Total	53,544,928.52	20,544,928.52		-	

- (2) Other receivables by credit risk profile group total with provision for bad debts.
- 1)Provision for bad debts in Other receivables using an Aging analysis

Aging structure	Closing balance					
Aging structure	Amount	Proportion (%)	Provision for bad debts			
Within 1 year (Including 1 year)	577,912,946.88	69.08	425,600.01			
1-2 years	116,290,296.18	13.90	1,412,594.08			
2—3 years	4,648,282.27	0.56	695,659.97			
3—4 years	23,645,906.24	2.83	9,749,100.64			
4—5 years	52,463,340.33	6.27	26,231,670.17			
Above 5 years	61,624,075.53	7.36	61,624,075.53			
Total	836,584,847.43	100.00	100,138,700.40			

(Continued)

Aging structure	Opening balance					
Aging structure	Amount	Proportion (%)	Provision for bad debts			
Within 1 year (Including 1 year)	285,337,259.31	65.55	149,597.92			
1-2 years	4,933,053.22	1.13	261,870.24			
2—3 years	4,116,617.11	0.95	464,603.62			
3 — 4 years	78,857,220.17	18.12	34,486,349.28			
4—5 years	6,024,972.43	1.38	3,012,486.22			
Above 5 years	56,027,150.77	12.87	56,027,150.77			
Total	435,296,273.01	100.00	94,402,058.05			

2)Provision for Other's receivables using the Other's method for Provision for bad debts

Portfolio Name	Closing balance				
Portiono Name	Amount	Proportion (%)	Provision for bad debts		
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners, financial guarantee receivables, principal and interest on entrusted loans, etc.	7,174,443,123.83	6.29	451,045,794.63		
Portfolio 3 related unit transactions, employee reserves	4,801,758,713.85	0.16	7,609,526.83		
Total	11,976,201,837.68	**	458,655,321.46		

(Continued)

Portfolio Name	Opening balance				
Tortiono Hame	Amount	Proportion (%)	Provision for bad debts		
Portfolio 2 charges, secured claims, claims on governments, claims on long-term strategic partners, financial guarantee receivables, principal and interest on entrusted loans, etc.	6,346,339,756.51	6.75	428,408,747.38		
Portfolio 3 related unit transactions, employee reserves	2,880,887,466.57	0.24	7,048,133.94		
Total	9,227,227,223.08	**	435,456,881.32		

(3) Closing of Others receivables where the individual Amounts are not material but the individual Provision for bad debts is made

Name of the debtor	Book balance	Bad debt amount	Aging	Proporti on (%)	Reason
No. 322, Fangxing, Jurong, Chishan Lake PPP Pooled Fund Trust Plan	28,986,913.08	869,607.39	Above 1 year	3.00	Non-payment of principal and interest at maturity
Ningbo Liansheng Real Estate Development Loan Collection fund trust Plan	25,963,036.59	778,891.10	Over 3 years	3.00	Non-payment of principal and interest at maturity
Henan Hongyang Group Trust Fund collection loan trust plan	25,474,850.20	764,245.51	Over 3 years	3.00	Non-payment of principal and interest at maturity
Dongxing 39 Shanxi Juntai Investment Fund Collection Trust Plan	20,312,287.12	1,218,737.23	Over 3 years	6.00	Non-payment of principal and interest at maturity
Changtal Paper working capital loan collection fund trust plan	18,349,839.42	11,009,903.66	Over 3 years	60.00	Non-payment of principal and interest at maturity
Wuhan Jinbi Building Materials Co., Ltd.	18,174,706.43	545,241.19	Above 5 years	3.00	Risk identified as a concern (3%) bad debt provision
Wuhan mustard seed Trading Co., Ltd.	15,906,699.67	4,772,009.90	2-3 years	30.00	Risk identified as secondary
Group liquidity loan pooled funds trust plan	15,067,945.66	8,287,370.11	Over 3 years	55.00	Non-payment of principal and interest at maturity
Dongxing 25 Hengyang Commercial Pedestrian Street equity investment collection Trust Plan	15,006,687.92	4,502,006.38	Over 3 years	30.00	Non-payment of principal and interest at maturity
Huangpi District People's government	15,000,000.00	15,000,000.00	Over 3 years	100.00	The chances of recovery are slim
Wuhan Shuangchi Trading Co., Ltd.	13,423,919.02	402,717.57	Above 5 years	3.00	Risk identified as a concern (3%) bad debt provision
Golden Po Working Capital loan Pooled funds trust plan	12,496,234.93	7,497,740.95	Over 3 years	60.00	Non-payment of principal and interest at maturity
CGCL Working capital loan Pooling fund trust Plan	5,650,684.93	5,650,684.93	Over 3 years	100.00	Non-payment of principal and interest at maturity
Wuhan Port Group Co., Ltd.	5,600,000.00	5,600,000.00	Over 3 years	100.00	Not expected to be recovered

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Name of the debtor	Book balance	Bad debt amount	Aging	Proporti on (%)	Reason
Shenyang Yinfeng Xinfu Property Loan Collection Fund Trust Plan	5,343,172.49	160,295.18	Over 3 years	3.00	Non-payment of principal and interest at maturity
Jiyou City Garden Item Equity Investment Collection Trust Plan on Dongxing 14th	5,134,562.93	1,540,368.88	Over 3 years	30.00	Non-payment of principal and interest at maturity
The second phase of the bank's pooled funds trust plan	5,003,091.78	500,309.18	Over 3 years	10.00	Non-payment of principal and interest at maturity
Hubei science and technology financial loan single fund trust	4,294,048.80	4,294,048.80	Over 3 years	100.00	Non-payment of principal and interest at maturity
Nanyang Construction Group Working capital loan pooling fund trust plan	2,576,150.00	772,845.00	Over 3 years	30.00	Non-payment of principal and interest at maturity
Co-create photovoltaic grid-connected power station Item Ioan Collection Fund Trust Plan	1,076,300.36	322,890.11	Over 3 years	30.00	Non-payment of principal and interest at maturity
Yichang Xinlitai Trading Co., Ltd.	10,168,666.66	9,657,700.01	Above 5 years	94.98	Collateral Amount deficiency, based on the difference between the payment in lieu and the Collateral Amount
Yichang Furuixiang Trading Co., Ltd.	10,082,133.34		Above 5 years		Collateral amount can be covered
Wuhan Yuanchang Materials Co., Ltd.	6,533,982.83		Above 5 years		Collateral value can be covered
Hubei Chuge Technology Development Co., Ltd.	4,150,647.00	666,100.00	2-3 years	16.05	Insufficient collateral value, provision for impairment is made for the difference between the book balance and the collateral value.
Wuhan Jinbi Building Materials Co., Ltd.	3,256,805.38	102,204.16	2-3 years	3.14	March 2016 Payments in Lieu, Mortgages Coverable, Risk Classification Identified as Concerned
Sichuan Xinlicheng Pharmaceutical Co., Ltd.	3,171,961.30	3,171,961.30	Over 3 years		Not expected to be recovered
Zhongwo Yuye Technology Co., Ltd.	2,990,000.00	2,990,000.00	Above 5 years	100.00	Highly unlikely to be recovered.
Thengquan Holding assets earning right investment phase I) single fund trust	1,854,611.10	1,854,611.10	Over 3 years	100.00	Non-payment of principal and interest at

Name of the debtor	Book balance	Bad debt amount	Aging	Proporti on (%)	Reason
					maturity
Ambo Pharmaceuticals	1,300,000.00	1,300,000.00	Over 3 years	100.00	Less likely to be fully recovered
Hubei Outlets Investment development Co., Ltd.	447,235.00	44,723.50	Over 3 years	10.00	Arbitration costs
Chufeng No. 2 Art Investment collection fund trust Plan	433,540.00	433,540.00	Over 3 years	100.00	Non-payment of principal and interest at maturity
Hu Renchang, Hu Xingjiang	206,152.00	20,615.20	Over 3 years	10.00	Arbitration costs
Wuhan Guantong Real Estate Development Co., Ltd.	166,700.00	166,700.00	Over 3 years	100.00	The chances of recovery are slim
Wuhan Grui Trading Co., Ltd.	123,372.85	12,337.29	Over 3 years	10.00	Arbitration costs
Wuhan Dongkun Technology Co. Ltd., Ye Xiaoyong and other individuals	106,000.00	10,600.00	Over 3 years	10.00	Arbitration costs
Wuhan Electric Power Development Company	2,520.00	12.60	Over 3 years	0.50	Current account risk is minimal and provision is made for expected loss of Amounts
Total	303,835,458.79	94,921,018.23			123

(4) Recovery or reversal provision for bad debts

Name of the debtor	Reversal or recovery amount	Cumulative accrual before reversal or recovery Provision for bad debtsAmount	Reasons for and manner of reversal or recovery
Wuhan Xin Angel Trading Co., Ltd.	540,000.00	540,000.00	Recovery of funds
Total	540,000.00	540,000.00	

(5) Top five Others receivables by Closing balance pooled by defaulting party

Name of the debtor Nature of funds		Closing balance		Proportion of total balance of other receivable at the end of the year (%)	Provision for bad debts	
Wuxin Investment Holding (Shenzhen) Co., Ltd.	Related party transactions	1,768,915,087.02	Within 1 year 13.43		327,178,773.71	
Dalian Friendship (Group) Co., Ltd.	Related party transactions	1,622,116,392.42	Within 1 year	12.32		
China Shipping Trust Co. Ltd.	Trust and Guarantee Fund	832,800,000.00	1-2 years; 2-3 years 3-4 years	6.32		
Wuxin Industrial Development (Shenzhen) Co. Ltd.	Related party transactions	372,000,000.00	2-3 years	2.82	3)	
Hubei Integrated Circuit Industry Investment Fund Co. Ltd.	Non-related party transactions	200,000,000.00	3-4 years	1.52	*1	
Total	-	4,795,831,479.44		36.41	327,178,773.71	

(7) Inventory

Portfolio Name	Closing balance					
Portiono Rame	Book balance	Falling price reserves	Book value			
Raw materials	2,443,455.70	714,788.58	1,728,667.12			
Self-made semi-finished and in-process products	399,481.31		399,481.31			
Stock Products	1,429,847,883.06	3,640,539.26	1,426,207,343.80			
Working capital	3,569,510.76		3,569,510.76			
Biological expendable assets	43,000.00		43,000.00			
Others	4,084,383,950.21		4,084,383,950.21			
Total	5,520,687,281.04	4,355,327.84	5,516,331,953.20			

(Continued)

Portfolio Name	Opening balance					
	Book balance	Falling price reserves	Book value			
Raw materials	710,110,571.05	26,016.99	710,084,554.06			
Self-made semi-finished and in-process products	9,546,983.89		9,546,983.89			
Stock Products	1,044,314,915.47	8,118,320.19	1,036,196,595.28			
Working capital	5,331,547.40		5,331,547.40			
Biological expendable assets	4,858,300,439.30		4,858,300,439.30			
Total	6,627,604,457.11	8,144,337.18	6,619,460,119.93			

(8) Assets held for sale

Item	Closing balance	Opening balance
Ion-current assets held for sale	8,815,708.09	
Total	8,815,708.09	

Note: Wuhan Qiaokou Tianhua Small loan Co., Ltd. (hereinafter referred to as Tianhua small loan Company), a tertiary company of the group, holds a set of real estate which is to be sold.

(9) Other current assets

Item	Closing balance	Opening balance
Value added tax retention	457,600,901.13	347,352,088.51
Prepaid taxes and fees	66,064,113.68	370,713,669.68
Disbursed funds	1,921,617,991.12	3,515,104,825.28
Overpayment of personal income tax in previous years	481,390.65	481,390.65
Net external loans, entrusted loans and non-performing asset packages	30,759,934,736.50	29,270,778,632.35
Trust financial products	137,955,938.54	4,000,000.00

Item	Closing balance	Opening balance
Amount of input tax to be certified	277,209.98	
Purchases of resold financial assets	115,200,900.00	722,475,000.00
Others	64,485,818.36	12,009,646.15
Total	33,523,618,999.96	34,242,915,252.62

Note: Other item to prepay rent, etc.

(10) Available-for-sale financial assets

1. Availability of financial assets for sale

Item	Closing balance					
item	Book balance	Impairment provision	Book value			
Available-for-sale debt instruments						
Available-for-sale equity instruments	10,388,196,129.02	45,580,417.19	10,342,615,711.83			
Including: Fair value measurement	2,608,109,943.60		2,608,109,943.60			
Cost measurement	7,780,086,185.42	45,580,417.19	7,734,505,768.23			
Others	5,846,367,341.85		5,846,367,341.85			
Total	16,234,563,470.87	45,580,417.19	16,188,983,053.68			

(Continued)

Item	Opening balance					
Rem	Book balance	Impairment provision	Book value			
Available-for-sale debt instruments						
Available-for-sale equity instruments	8,943,010,320.10	45,580,417.19	8,897,429,902.91			
Including: Fair value measurement	2,453,810,932.22		2,453,810,932.22			
Cost measurement	6,489,199,387.88	45,580,417.19	6,443,618,970.69			
Others	5,008,131,329.46		5,008,131,329.46			
Total	13,951,141,649.56	45,580,417.19	13,905,561,232.37			

Note: Other primarily represents receivable-type investments and loans.

2. Closing available-for-sale financial assets at fair value

Item	Available for sale Equity instruments	Available for sale Debt instruments	Others	Total
Cost of equity instruments/amortized cost of debt instruments	829,530,248.99			829,530,248.99
Fair value	2,608,109,943.60			2,608,109,943.60
Amounts of fair value change accumulated in Other's comprehensive income	1,778,579,694.61			1,778,579,694.61
Impairment Amounts charged				

(11) Held-to-maturity investments

		Closing balance		Opening balance		
Item	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Wuhan Zhengmao New Material Technology Co. Ltd.				10,000,000.00		10,000,000.00
Wuhan Xinlimei Agricultural Science and Technology Development Co. Ltd,.				15,000,000.00		15,000,000.00
Wuhan Zhongnan Fresh Culture Development Co., Ltd.				13,200,000.00		13,200,000.00
Chinese Hui he science and Technology Park Construction Co. Ltd.				20,000,000.00		20,000,000.00
South securities Treasury bond investment				2,285,592.01	2,285,592.01	
National Communications Trust Scheme				25,000,000.00		25,000,000.00
Electricity bond				17,200.00		17,200.00
Total				85,502,792.01	2,285,592.01	83,217,200.00

(12) Long-term receivables

Item		Closing balance	
item	Book balance	Provision for bad debts	Book value
Finance Leasing	25,560,071,856.18	754,430,992.25	24,805,640,863.93
Including: Unrealized financing gains	2,734,557,470.57		2,734,557,470.57
Sales of goods by instalments	659,807,910.61		659,807,910.61
Others			
Total	26,219,879,766.79	754,430,992.25	25,465,448,774.54

(Continued)

ltem -		Opening balance	
item	Book balance	Provision for bad debts	Book value
Finance Leasing	19,221,304,675.76	382,304,788.84	18,838,999,886.92
Including: Unrealized financing gains	2,306,810,656.61		2,306,810,656.61
Sales of goods by instalments	531,196,794.56		531,196,794.56
Others	82,017,124.49		82,017,124.49
Total	19,834,518,594.81	382,304,788.84	19,452,213,805.97

(13) Long-term equity investments

1. Classification of long-term equity investments

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Investments in subsidiaries	188,717,893.25	500,000,000.00		688,717,893.25
Investments in joint ventures				

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Investments in associates	5,678,895,760.70	2,846,699,561.86	1,454,617,817.88	7,070,977,504.68
Subtotal	5,867,613,653.95	3,346,699,561.86	1,454,617,817.88	7,759,695,397.93
Less: Provision for impairment of long-term investments	324,596.47			324,596.47
Total	5,867,289,057.48	3,346,699,561.86	1,454,617,817.88	7,759,370,801.46

Note: According to the Reply of Wuhan SASAC on the approval of Yangtze River Asset Management Co. (No. [2014] 3), although the Company's shareholding in Wuhan Changjiang Asset Management Co. 100%, but the Company does not have voting rights over it and has no substantive rights."

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

2. Breakdown of long-term equity investments

				Change	Change for the year	
Investees	Investment costs	Opening balance	Additional	Reduction of investment	Recognition under the equity method Gains and losses	Other Adjustments to comprehensive
I. Joint venture					on investments	income
II. Associate	5,136,311,848.38	5,678,895,760,70	7 292 381 663 07	20 000 000 00		
Hankou Bank Co., Ltd.	1,893,359,536.00	3,404,883,249.30	1 440 737 536 00	30,081,581.62	524,117,629.23	2,573,708.46
Wuhan Yangtze River Communication Industry Group Co. Ltd.	141,189,096.04	238 912 950 44			421,830,000.00	
China Eastern Airlines Wuhan Co. Ltd.	847,409,126.97		20 20 000 000		13,762,741.28	-662,105.56
Wuhan Changjiang Semiconductor Lighting Technology Co. Ltd.	44,457,654.04	21 975 667 42	75'02'1'504'140		71,702,470.86	
Cheung Kong Investment Industrial Co. Ltd.	40 513 786 08	44. COL COL COL 34			3,673,761.28	
Wuhan Circular Economy Industry Investment Fund (Limited Partnership)	500 000 000 000 00	10.887,086,c#			-4,073,374.33	3,235,814.02
Wuhan Huitong Logistics Network Co. Ltd.		00:000,000,000				
Worken Connect Control of the Contro	1,260,000.00	908,359.93			16,157.46	
Wunan Smart Green Valley Technology Co. Ltd.	52,500,000.00	52,500,000.00				
Wuhan Economic Development Zone Industry Investment Zhizheng Small Joan Co. Ltd.	80,000,000.00	80,687,665.73				
Wuhan Industrial Investment production Management Co. Ltd.	1,000,000.00	1,877,046.65			4,295,530.13	
Wuhan Boqi decorative fabric Co. Ltd.	13,200,000.00	29.118.963.99			40,712.81	
Shenzhen Qianhai Yuehan Asset Management Co. Ltd.	42 000 000 00	40.000			7,053,476.72	
Wuhan Xingli Investment Management Co. 154	000000000000000000000000000000000000000	44,334,145.20			391,696.74	
The state of the s	300,000.00	446,399.92			-138.842.21	
Wuhan Jiangan District Changfa Honest small loan Co. Ltd.	00'000'000'09	63,568,720.97				

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

				Change	Change for the year	
Investees	Investment costs	Opening balance	Additional	Reduction of investment	Recognition under the equity method Gains and losses	Other Adjustments to comprehensive income
Wuhan United Rongtai Financial Services Co. Ltd.	3,500,000.00	4,429,899.84	2,640,000.00		1 196 159 79	
Wuhan Jinxin Rongwei Financial Outsourcing Service Co. Ltd.	4,800,000.00	3,158,074.85			145 ACE O1	
Changsha Xintiandi Financial Service Technology Co., Ltd.	2,500,000.00	2,783,151.19			138 000 22	
Rongwei Weiye (Wuhan) Information Technology Co., Ltd.	2,550,000.00	2,487,625.56			000000	
Wuhan Changxing Future Technology Co., Ltd.	2,200,000.00	1,595,067.46				
Jinao Logistics (Hubei) Co. Ltd.	17,150,000.00	9,831,445.73				
Wuxin Investment Holding (Shenzhen) Co. Ltd.	800,000,000,000	13,760,239.12			C1 050 030 11	
Wuhan Credit Zesen Smart City Industry Co. Ltd.	1,500,000.00		1.500.000.00		77.00,423.14	
Optical Valley Free Trade Research Institute (Wuhan) Co. Ltd.	100,000.00	100,000.00		100 000 00		
Wuhan Credit Small Loan Co. Ltd.	270,000,000.00	783,245,973.89		On one of the second		
Wuhan Yijing Jiangnan Property Co. Ltd.	19,600,000.00	82,406,444.67			20.440.00	
Wuhan Yuxin Real Estate Co. Ltd.	30,000,000.00	29,981,581.62		29 981 581 63	76'4'0'66-	
Qianlima Company	1,969,972.80	1,969,972.80		70,100,100,00		
Wuhan Kaldacin Equity Investment Management Co. Ltd.	2,000,000.00	2,092,809.48			00 000 00	
Wuhan Logistics Information Development Co. Ltd.	980,000.00	124,596.47			05,000,00	
Wuhan New Power Fuel Co. Ltd.	2,156,800.00	8,084,236.80			21 085 391 10	
Wuhan Chengtong Logistics Co. Ltd.	19,907,511.55	18 748 547 21			21,203,201.10	

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

				Change	Change for the year	
Investees	Investment costs	Opening balance	Additional	Reduction of investment	Recognition under the equity method Gains and losses	Other Adjustments to comprehensive
Wuhan Jun Tin Real Estate Co. Ltd.	18,784,000.00	17,070,313.58			on investments	all parties
Wuhan Xingdong Property Management Development Co. Ltd.	200,000,000	200 000 00			15,791.42	
Wuhan Shaou Food Marketing Co. Ltd.	5,000,000.00	3,031.647.41				
Chongqing Xiangfu Sheng for industrial Co. Ltd.	5,040,000,00	2,304,390,00			588,170.46	
Wuhan Zhongzhi Hanyang Real Estate Development Co. Ltd.	16,000,000.00	16,000,000,00				
Wuhan Red Star Macalline Zhengda Logistics Co. Ltd.	21,000,000.00	20.633.253.55				
Kunming Baoxiang Tons cold Storage Logistics Co. Ltd.	171,684,364.90	171 492 535 01			-4,811.71	
Wuhan Daoguanhe Scenic Park Co., Ltd. (Hongshanku)	100.000.00	000000000			264.81	
Wuhan Daoguanhe Scenic Park Co., LTD. (Dahualing Library)	100,000,000	100,000,001				
(Continued)						
		Change for the year	year			
Investees	Other Changes in equity	Declaring cash disbursements Dividends or	Provision for impairment	Others	Closing balance	Impairment provision Closing balance
1. Joint venture		profits	113111111111111111111111111111111111111			
II. Associate	27.726 561 30	110 110 064 00				
Hankou Bank Co., Ltd.		00.900,011,611	-1,30	-1,305,426,172.26	7,070,977,504.68	324,596.47
Wuhan Yangtze Bivor Communication Led.		85,633,734.89			5,181,812,050.41	
Communication industry Group Co. Ltd.	27,726,561.20	9,096,530.48			330 643 646 000	

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

		Change for the year	e year			
Investees	Other Changes in equity	Declaring cash disbursements Dividends or profits	Provision for impairment	Others	Closing balance	Impairment provision Closing balance
China Eastern Airlines Wuhan Co. Ltd.		18,836,940.00			900 374 EC7 93	
Wuhan Changjiang Semiconductor Lighting Technology Co. Ltd.					20,750,473,000	
Cheung Kong Investment Industrial Co. Ltd.					25,649,428.70	
Wuhan Circular Economy Industry Investment Fund (Limited Partnership)				600 000 000 00	44,753,222.70	
Wuhan Huitong Logistics Network Co. Ltd.				normon'non-		
Wuhan Smart Green Valley Technology Co. Ltd.					924,517,39	
Wuhan Economic Development Zone Industry Investment Zhizheng Small Ioan Co. Ltd.					52,500,000.00	
Wuhan Industrial Investment production Management Co. Ltd.					84,983,195.86	
Wuhan Boqi decorative fabric Co. Ltd.		5 280 000 00			1,917,759.46	
Shenzhen Qianhai Yuehan Asset Management Co. Ltd.		o contraction of the contraction			30,892,440.71	
Wuhan Xingli Investment Management Co. Ltd.					42,785,841.94	
Wuhan Jiangan District Changfa Honest small loan Co. Ltd.					307,557.71	
Wuhan United Rongtai Financial Services Co. Ltd.				20 000 000 0	65,118,317.07	
Wuhan Jinxin Rongwei Financial Outsourcing Service Co. Ltd.				70.550,002.0		
Changsha Xintiandi Financial Service Technology Co., Ltd.					3,303,531.76	
Rongwei Weiye (Wuhan) Information Technology Co., Ltd.				23 303 636 6	2,744,241.86	
Wuhan Changxing Future Technology Co., Ltd.				1 505 067 45		
Jinao Logistics (Hubei) Co. Ltd.				4,333,007.40		

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

		Change for the year	he year			
Investees	Other Changes in equity	Declaring cash disbursements Dividends or profits	Provision for impairment	Others	Closing balance	Impairment provision Closing balance
Wuxin Investment Holding (Shenzhen) Co. Ltd.						
Wuhan Credit Zesen Smart City Industry Co. Ltd.					1 500 000 00	
Optical Valley Free Trade Research Institute (Wuhan) Co. Ltd.					DO:DOCOCOC'T	
Wuhan Credit Small Loan Co. Ltd.				-783,245,973.89		
Wuhan Yijing Jiangnan Property Co. Ltd.					37 375 58	
Wuhan Yuxin Real Estate Co. Ltd.						
Qianlima Company					1 050 077 00	
Wuhan Kaidacin Equity Investment Management Co. Ltd.					00.375,505,4	
Wuhan Logistics Information Development Co. Ltd.					2,133,070,78	
Wuhan New Power Fuel Co. Ltd.		174,115.25			124,530.47	124,596,47
Wuhan Chengtong Logistics Co. Ltd.					29,895,402.65	
Wuhan Jun Tin Real Estate Co. Ltd.					12,612,090.90	
Wuhan Xingdong Property Management Development Co. Ltd.					17,086,105.00	
Wuhan Shaou Food Marketing Co. Ltd.		88.743.38			00.000,000	
Chongqing Xiangfu Sheng for industrial Co. Ltd.					5,351,074,49	
Wuhan Zhongzhi Hanyang Real Estate Development Co. Ltd.					45,000,000,00	
Wuhan Red Star Macalline Zhengda Logistics Co. Ltd.					00.000,000,01	
Kunming Baoxiang Tons cold Storage Logistics Co. Ltd.					40'070'07	

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

		Change for the year	he year			
Investees	Other Changes in equity	Declaring cash disbursements Dividends or	Provision for impairment	Others	Closing balance	Impairment provision Closing balance
Wuhan Daoguanhe Scenic Park Co. 1td (Hongehankii)		200				
(Paring Control of Con					100,000.00	100.000.00
Wuhan Daoguanhe Scenic Park Co., LTD. (Dahualing Lihrary)						
Linear Contraction					100,000.00	100.000.00

3. Key financial information of key associates

	Closing I	balance
Item	Hankou Bank co., Ltd.	China Eastern Airlines Wuhan Co. Ltd.
Current assets	51,307,018,000.00	368,733,710.28
Non-current assets	354,432,547,000.00	7,917,061,425.25
Total asset	405,739,565,000.00	8,285,795,135.53
Current liabilities	296,394,842,000.00	1,610,976,842.46
Non-current liabilities	87,496,881,000.00	2,897,075,282.21
Total liability	383,891,723,000.00	4,508,052,124.67
Net assets	21,847,842,000.00	3,777,743,010.86
Share of net assets in proportion to shareholding	4,286,546,600.40	863,592,052.28
Adjustments		
Equity investments in associates Book value		
Equity investments for which public quotations exist fair value		
Operating income	6,472,600,000.00	4,743,362,736.79
Financial costs		167,817,544.86
income tax expenses	-342,220,000.00	114,917,996.72
Net profit	2,418,902,000.00	318,965,388.59
Other comprehensive income	-144,276,000.00	9,245,289.10
otal comprehensive income	2,274,626,000.00	328,210,677.69
Dividends from joint ventures received during the period		

(Continued)

27	Opening	balance
Item	Hankou Bank co., Ltd.	China Eastern Airlines Wuhan Co. Ltd.
Current assets	45,539,032,000.00	237,317,524.33
Non-current assets	273,756,877,000.00	7,047,365,829.55
Total asset	319,295,909,000.00	7,284,683,353.88
Current liabilities	228,076,609,000.00	1,633,821,234.56
Non-current liabilities	71,177,021,000.00	1,943,447,188.84
Total liability	299,253,630,000.00	3,577,268,423.40
Net assets	20,042,279,000.00	3,707,414,930.48
Share of net assets in proportion to shareholding	3,932,295,139.80	847,515,053.11
Adjustments		
Equity investments in associates Book value		1-1

	Opening	balance
Item	Hankou Bank co., Ltd.	China Eastern Airlines Wuhan Co. Ltd.
Equity investments for which public quotations exist fair value		
Operating income	6,076,108,000.00	4,558,688,342.04
Financial costs		110,877,463.64
Income tax expenses	-166,617,000.00	90,838,577.74
Net profit	1,882,378,000.00	218,804,162.60
Other comprehensive income	566,304,000.00	-1,808,082.74
Total comprehensive income	2,448,682,000.00	216,996,079.86
Dividends from joint ventures received during the period		

(14) Investment property

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Original book value Total	1,641,483,694.00	173,404,497.14	23,313,974.12	1,791,574,217.02
Including: Houses, buildings	1,454,929,545.70	173,404,497.14	23,313,974.12	1,605,020,068.72
Land use right	186,554,148.30			186,554,148.30
Accumulated depreciation (amortization) Total	214,943,740.34	89,262,255.76	9,148,146.91	295,057,849.19
Including: Houses, buildings	203,034,725.66	84,528,120.16	9,148,146.91	278,414,698.91
Land use right	11,909,014.68	4,734,135.60		16,643,150.28
Net book value Total	1,426,539,953.66			1,496,516,367.83
Including: Houses, buildings	1,251,894,820.04			1,326,605,369.81
Land use right	174,645,133.62			169,910,998.02
Impairment provision Total				
Including: Houses, buildings				
Land use right				
Book valueTotal	1,426,539,953.66			1,496,516,367.83
Including: Houses, buildings	1,251,894,820.04	Овн		1,326,605,369.81
Land use right	174,645,133.62	(4)	**	169,910,998.02

(15) Fixed assets

Item	Closing balance	Opening balance
Fixed asset	2,984,599,490.01	4,796,931,378.25
Liquidation of fixed assets	1,712.50	1,712.50
Total	2,984,601,202.51	4,796,933,090.75

1. Fixed asset

(1) Fixed asset position

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Original book value Total	7,582,467,561.69	571,515,085.37	3,462,709,864.78	4,691,272,782.28
Including: Land assets	9,275,000.00			9,275,000.00
Houses and buildings	2,759,452,394.29	184,881,202.51	609,500,840.06	2,334,832,756.74
Machinery and equipment	2,846,963,024.59	43,967,986.03	2,481,169,775.95	409,761,234.67
Means of transportation	1,775,204,419.94	316,518,904.90	352,298,258.31	1,739,425,066.53
Electronic equipment	68,961,301.88	10,823,994.93	10,756,554.15	69,028,742.66
Office equipment	70,634,298.16	12,212,816.89	1,186,208.12	81,660,906.93
Others	51,977,122.83	3,110,180.11	7,798,228.19	47,289,074.75
Accumulated depreciation Total	2,785,042,532.37	491,553,691.65	1,569,931,037.52	1,706,665,186.50
Including: Land assets				
Houses and buildings	647,628,019.16	103,476,126.04	143,528,444.60	607,575,700.60
Machinery and equipment	1,468,794,444.53	129,665,940.09	1,351,557,452.65	246,902,931.97
Means of transportation	533,185,623.19	237,060,738.49	57,120,712.33	713,125,649.35
Electronic equipment	57,863,265.43	7,779,873.80	14,489,587.60	51,153,551.63
Office equipment	47,517,738.11	10,149,281.20	1,102,213.38	56,564,805.93
Others	30,053,441.95	3,421,732.03	2,132,626.96	31,342,547.02
Net fixed assets Total	4,797,425,029.32		500	2,984,607,595.78
Including: Land assets	9,275,000.00			9,275,000.00
Houses and buildings	2,111,824,375.13		5.700	1,727,257,056.14
Machinery and equipment	1,378,168,580.06	404		162,858,302.70
Means of transportation	1,242,018,796.75			1,026,299,417.18
Electronic equipment	11,098,036.45			17,875,191.03
Office equipment	23,116,560.05		:	25,096,101.00
Others	21,923,680.88			15,946,527.73
mpairment of fixed assets	493,651.07		485,545.30	8,105.77
ncluding: Land assets				
Houses and buildings				
Machinery and quipment	8,105.77			8,105.77
Means of				
ransportation Electronic	485,545.30		485,545.30	
quipment Office equipment				
Others				
ixed asset Book valueTotal	4,796,931,378.25			2,984,599,490.01
ncluding: Land assets	9,275,000.00	2000		9,275,000.00

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Houses and buildings	2,111,824,375.13			1,727,257,056.14
Machinery and equipment	1,378,160,474.29			162,850,196.93
Means of transportation	1,242,018,796.75			1,026,299,417.18
Electronic equipment	10,612,491.15			17,875,191.03
Office equipment	23,116,560.05	(<u>100-</u> 0)		25,096,101.00
Others	21,923,680.88			15,946,527.73

(2) Status of temporarily idle fixed assets

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
Means of transportation	5,948,203.72	4,413,986.15		1,534,217.57	
Total	5,948,203.72	4,413,986.15		1,534,217.57	

(3) Fixed assets with uncompleted certificates of title

Item	Book value	Reasons for failure to complete title deeds
Housing and buildings (reserves)	684,958.60	The developer hasn't done it yet
Optics Valley Industrial Park Phase I	14,562,622.24	Still in process
Total	15,247,580.84	

2. Liquidation of fixed assets

Item	Closing Book value	Opening Book value	Reasons for transfer to liquidation
Obsolescence of fixed assets	1,712.50	1,712.50	Obsolescence
Total	1,712.50	1,712.50	

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

(16) Works in progress

1. Status of construction work in progress

National Grain Modern Logistics (Wuhan) Base		Closing balance		Ü	Opening balance	
lational Grain Modern Logistics (Wuhan) Base	carrying balance	Impairment	Book value	carrying balance	Impairment	in the o
	833,406,925.94		833 406 005 04		provision	BOOK VAIUE
Hanvang Passenger Transport Contergoration			+6:075'001'000	611,417,421.71		611,417,421.71
ue de la company	80,484.60		80,484.60	1,408,897.60		1.408.897.60
Hai Lian Building maintenance	1,264,746.00		1.264 746.00			000000000000000000000000000000000000000
Jinshan Avenue, No. 1 Power supply and distribution project				4 000		
Maintenance and renovation Item of the headquarters at No. 1 Jinshan Avenue	18,819,369.73		18 810 360 75	1,394,099.55		1,394,699.55
Dun Kou Branch Financial dispatching Area construction security Item project			0.0000000000000000000000000000000000000	1,521,776.41		1,521,776.41
Hankou Base weak current system Construction Item				1/3,230.36		173,230.36
Wuchang base fire control system and confessors				53,795.27		53.795.27
maintenance	1,146,539.30		1,146,539.30			
Weak current system maintenance	257,568.67		257.568.67			
Conference Center renovation	7,865,707.00		7 865 707 00			
Wuhan Xingang Central Trade Service area	OC 830 100 030		00.101,000,1			
	200,021,034,70		960,021,854.70	521,019,629.04		521 019 629 04
Hotel decoration project	149,666.24		149,656.24			
Decoration of Weiye Building	4,104,954.26		4 104 954 26			
Dedicated rail link						
Oil instrument automation reform				14,668,408.03		14,668,408.03
Januari II.				22,413,465.44		22,413,465.44
Oil quality upgrade Item				45.461 524 04		
Qianjiang to Jianli Pipeline Item				10.1.20,10.1.01		45,461,524.04
				19,350.00		19 350 00

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item		Closing balance			Opening balance	
	carrying balance	Impairment	Book value	carrying balance	Impairment	and a second
Sulfur new sulfur pool					provision	anna value
Emergency nool				1,933,240.65		1,933,240.65
				3,289,503.07		3,289,503.07
Coke held closure project				95,088.30		95 088 30
Auto parts processing and distribution	288,489.69		288,489,69	6,497,049.68		00,000,00
Central China Wisdom Valley office building decoration	2,840,702.05		2,840,702.05	1,090,702.05		1 000 000 000 1
Renovation of no. 6 Taining Street	97,087.38		97,087.38	97,087.38		07.007.00
Base project	5,824,494.58		5,824,494.58	538 000 00		00.700,70
Disbursement from the vault	44,292.00		44,292.00	44 292 00		538,000.00
45 shop renovation	98,638.00		98.638.00	00 853 80		44,292.00
Warehousing and logistics base construction Item	46,982,927.22		rr 200 000 9V	000000000000000000000000000000000000000		98,638.00
Jinbaihul civil engineering	2 001 271 40		77:17:17:17:17:17:17:17:17:17:17:17:17:1	73,491,398.21		29,491,398.21
Concrete floor construction of Xinjinggang No.1	Out to be soit		2,991,371.40	2,099,534.16		2,099,534.16
workshop	695,533.98		695,533.98	695,533.98		605 533 00
Automatic tank capacity monitoring system	147,000.00	147,000.00		147 000 00	147 000 00	05:000,000
5,000-ton oil tanker	8,000.00		8.000.00	8 000 000	00000000	
Preform workshop	48,341.88		48 341 88	00,000,00		8,000.00
Water-induction system	16,264.50		16.364.50	40,541.00		48,341.88
Sewage station upgrade Item	1,512,457.24		1 512 457 24	15,264.50		16,264.50
Wuhan Tonnes - Huazhong Cold Chain Port Item	691,464,060.26		601 464 060 26	17:007/676		329,208.77
Project No. 7			07:000/101/10	3/3,526,422.10		375,526,422.10
	1,747,825.78		1,747,825.78	1 747 825 78		

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item		Closing balance			Opening balance	
	carrying balance	Impairment	Book value	carrying balance	Impairment	Book value
Bai Shiyi cold storage project	2,456,327.55		2,456,327.55	2,456,327,55	provision	77 500
Cold chain logistics information project	9,920,475.70		9,920,475.70	38.666 541 78		2,430,327,33
Refrigerated Door Conversion	18,103.45		18,103.45	18 103 45		38,000,541.78
Banglun (Guanggu) Medical Industrial Park	22,995,760.93		22 995 750 93	Cr.Cor.or		18,103.45
Other project	9,267,525.61	43,198.06	9 224 327 55	21,113,247,03	4	21,113,247.63
Freeze-drying powder syringes and water syringes Item	27,815,594.19		27,815,594.19	091,701.30	43,198.06	648,583.50
Conversion of warehouses	153,896.87		153,896.87	122 822 00		5,739,773.59
Repair and renovation of old cottages	294,918.54		294,918.54	11 433 96		122,872.00
Reservoir road	906,319.39		906,319.39	3 490 57		11,433.96
Thermal insulation ceiling project in warehouse	1,734,851.82		1 734 851 87	4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		3,490,57
Warehouse wall coating project	317,002.32		24 COO CFC	00:000/100		854,656.53
Electricity capacity increase	136118450		327,002,32	310,616.32		310,616.32
Reinforcement of the outer wall at the			1,361,184.50	65,120.00		65,120.00
war of the old Warehouse	1,531,285,24		1,531,285.24	6,000.00		00.000.0
Drying workshop canopy and pavement	1,016,288.10		1,016,288.10	1,016,288.10		1015 300 1
Drying workshop				2 689 639 31		1,010,200.10
Earmarked funding for food bank construction in 2017	1,217,196.04		1,217,196.04	10.000,000,000		2,689,638,31
3-5 bin suspended ceiling	731,076.69		731.076.69	4,417,130.04		1,217,196.04
Workshop modifications				00.000,000		376,850.00
2019 Construction Funding (Warehouse 3 and 4	0.00			238,379.88		238,379.88
Warehouse Renovations)	148,358.00		148,358,00	155,760.00		155 750 00

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item		Closing balance		0	Opening balance	
	carrying balance	Impairment	Book value	carrying balance	Impairment	1
Earmarked funding for food bank construction in 2018	3,441,123.97		3 441 133 07		provision	BOOK Value
Earmarked funding for food bank construction in 2019	1 751 038 81		10 m 1 m 1 m 1 m 1 m 1 m 1 m 1 m 1 m 1 m	1,804,505.74		1,804,505.74
2019 Food Bank Construction Supplemental Funding	100000140		1,751,028.81	1,650.00		1,650.00
(tem	1,035,519.01		1,035,519.01			
Sewage treatment equipment	130,619.46		130,619.46			
Distribution depot works	2,184,332.96		2,184,332.96			
The 10,000-ton Information Project	3,676,415.10		3.676.415.10			
Installation of refrigerator dryer						
Oral Liquid Item				30,973.45		30,973.45
Distilled water machine, buffer tank, dosing tank				697,585.95		697,585.95
Chiller				840,517.24		840,517.24
				350,000.00		350 000 00
Freeze dryer equipment				4 555 200 5		On one of the one
Youyi Zhongxing Logistics Park				4,551,724.14		4,551,724.14
Capital expenditure on new sites				815,708.09		815,708.09
Electric boiler				5,824,494,58		5,824,494.58
Warehouse No. 1				1,477,387.00		1,477,387.00
dee and londern				1,080,453.00		1,080,453.00
rress and reaching Workshop works				2,665,023.65		2.665.023.65
Packaging workshop engineering				5 273 125 63		
Temporary packaging lines				200034103410		5,273,125.63
15,000-ton oil tanker				280,243.53		280,243.53
				154 524 63		

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item		Closing balance		0	Opening balance	
	carrying balance	Impairment	Book value	carrying balance	Impairment	200
New Rapeseed Warehouse					provision	anies vono
				59,672.10		01 673 95
Warehouse 5 conditioning station						De la laction
				25,160.92		25,160.92
Infrastructure Item						
Bottle washing machine etecilisation and Citizen				1,925,000.00		1,925,000.00
corking machine				1 660 000 00		
Engineering materials						1,660,000.00
2101710110	486,001.00		486,001.00	662,641.00		00 543 033
Total				The Control of the Co		007,641.00
	59.705,516,507.65	190,198.06	2,676,326,309.59	1.749 279 795 89	100 100 00	4 740 000 000

Note: Under construction "Wuhan Xingang Huazhong Trade Service Area" Item property end balance RMB 960,021, 854.70 has been pledged to Wuhan Rural Commercial Bank, Yangluo Economic Development Zone Branch.

2. Changes in major construction-in-progress item during the period

Project name	Budget	Opening balance	Increase in current year	Carried forward in current year fixed asset	Decrease in Others in current year	Closing balance	Proportion of cumulative engineerin g input to	Project progress (%)	Interest Capitalization Cumulative	Including: profit for the year Interest Capitalization	Interest Capitalizati on rate for the year	Source of funding
National Grain Modern Logistics	2,067,000,000.00	611,417,421.71	221,989,504.23			4 4 4 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	budget (%)		Tenous .	Amount	Z	
Wuhan Xingang						95.076,009,000	40.32	40.32	296,791,606.53	56,688,811.97	25.54	Self-funded, loans
Huezhong Trade Service Area	2,080,000,000.00	521,019,629.04	439,002,225.66			960,021,854.70	46.15	46.15	120.413.901	40 400 400 40		Self-fundad
Wuhan 10,000									+5:10:10 to 10:10	71,435,324,45	16.23	loans
5	800,000,000,008	375,526,422.10	315,937,638.16			691,464,060.26	86.43	86.43				Californdad
Auto parts	1000											
	300,000,000,005	6,497,049.68	129,291.23	6,337,851.22		288,489,69	221	2.21				100
Freeze-drying Powder syringes and water syringesitem	280,000,000.00	5,739,773.59	22,075,820.60			27,815,594.19	6 6	56.6				Self-funded
Banglun (Guanggu)	250.000.000.00	20 112 247 63										Daguni-liac
Medical Industrial		44,113,447,03	1,882,513.30			22,995,760.93	9.20	0,0				

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Interest Including: profit Interest Capitalization Cumulative Capitalization Interest Source of Capitalization the vear funding	Amount		Self-funded	Self-funded	Diouni-liac	Self-funded Self-funded		Self-funded	Dapting	Self-funded		Self-funded	ned-inced	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Project progress (%)			100.00	100.00		100.00		100.00		100.00		100.00		100.00
Proportion of cumulative engineerin g Input to	budget (%)	9	72.28	100.00		73.60		123.15		100.00		100.00	1000	100.00
Closing balance			46,982,927.22	9,920,475.70		18,819,369.73	7 0.00 TAN 20 C	80,484.60			27.000.000.00	1,146,539.30	1 264 746 00	Statute of Language
Decrease in Others in Current year		90.328.012.96		11,253,900.78	14.791 348 19		RK 308 35	211,490.97	22 413 465 44	2,199,396.72				
Carried forward in current year fixed asset				25,416,844.68		413,628.32	2.596,110.42	3,412,364,03						
Increase in current year		44,866,488.92	17,491,529.01	7,924,679.38	122,940.16	17,711,221.64	10,548,215.67	2,295,442.00		804,697,17	4,104,954.26	1,146,539.30	1,264,746.00	
Opening balance		45,461,524,04	29,491,398.21	38,666,541,78	14,668,408.03	1,521,776.41		1,408,897,60	22,413,465,44	1,394,699.55				Carrier Springs Strategy
Budget		80,000,000,00	65,000,000.00	45,000,000.00	300,000,000.00	26,128,104,78	15,725,886.48	2,836,287.18	22,413,465,44	2,199,396,72	6,906,460.46	1,888,961.36	1,264,746.00	
Project name	Park	il Quality Upgrade Item	Warehousing and logistics base construction item	Cold chain logistics information project	Railway lines	ttem for maintenance and alteration of headquarters at 1 Golden Hill Avenue Special	Renovation of conference centre	Hanyang Passenger Terminal Expansion item	Automation of oil instrumentation	Supply and distribution of electricity at Inshan Avenue Special 1	Decoration of Weiye Building	Wuchang base fire system conference Center maintenance	Hai Lian Building maintenance	Total

Note: The decrease in Others for the year primarily relates to the decrease due to the discontinuation of Financial Control Energy from the scope of consolidated financial statements after July 1st, 2019.

3. Engineering materials

Item	Closing balance	Opening balance
Charging station	479,801.00	662,641.00
Charging gun	6,200.00	
Total	486,001.00	662,641.00

(17) Productive biological assets

Туре	Opening Book value	Increase in current year	Reduction in current year	Closing Book value
Forestry	1,441,998.43			1,441,998.43
Including: 1. Camphor, cassia, spruce and other seedlings	1,441,998.43			1,441,998.43
Total	1,441,998.43			1,441,998.43

(18) Intangible assets

1. Classification of intangible assets

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Original price Total	1,850,192,295.93	66,384,319.72	450,093,690.46	1,466,482,925.19
Including: Software	48,598,447.24	17,833,099.69	6,051,662.27	60,379,884.66
Land use right	1,788,705,003.20	48,551,220.03	444,042,028.19	1,393,214,195.04
Patent rights	5,438,015.49		1	5,438,015.49
Non-patented technology	7,281,030.00			7,281,030.00
Authorships	1,800.00		\ \	1,800.00
Others	168,000.00			168,000.00
Total accumulated amortization	279,788,476.48	36,517,626.22	83,138,585.45	233,167,517.25
Including: Software	23,535,228.67	7,484,475.06	4,325,065.00	26,694,638.73
Land use right	253,286,424.54	28,013,019.03	78,813,520.45	202,485,923.12
Patent rights	826,533.34	691,672.21		1,518,205.55
Non-patented technology	2,051,749.93	328,279.92		2,380,029.85
Authorships	540.00	180.00		720.00
Others	88,000.00			88,000.00
Accumulation of impairment provision Amount Total	1,999,115.00			1,999,115.00
Including: Software				
Land use right				
Patent rights				
Non-patented technology	1,999,115.00			1,999,115.00
Authorship				
Others				
Book valueTotal	1,568,404,704.45			1,231,316,292.94

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
including: Software	25,063,218.57			33,685,245.93
Land use right	1,535,418,578.66	म्हित		1,190,728,271.92
Patent rights	4,611,482.15			3,919,809.94
Non-patented technology	3,230,165.07	4-		2,901,885.15
Authorship	1,260.00		-	1,080.00
Others	80,000.00			80,000.00

(19) Development expenditure

Item	Opening	Increase in current year	
1.CIII	balance	Internal development expenditure	Others
Neural Network Task Allocation System for Distributed Internet of Things	291,262.14		
GIS Research in Environmental Research in Wuhan	47,169.81		
Smart Cities		1,236,837.93	
Research costs for laboratory testing of petrochemical products		6,704,693.13	
Commerce and trade group development expenditure		16,019,545.40	
Total	338,431.95	23,961,076.46	

(Continued)

020000	Reduct	ion in current year		
ltem -	Recognized as an intangible asset	Transfer to current profit or loss	Others	Closing balance
Neural Network Task Allocation System for Distributed Internet of Things				291,262.14
GIS Research in Environmental Research in Wuhan				47,169.81
Smart Cities		1,236,837.93		
Research costs for laboratory testing of petrochemical products		6,704,693.13		
Commerce and trade group development expenditure		16,019,545.40		
Total		23,961,076.46		338,431.95

(20) Goodwill

1. Goodwill book value

Name of investee or Matters that create goodwill	Opening balance	Increase in current year	Reduction in current year	Closing balance
Wuhan Cheng Sheng Dian When Co. Ltd.	2,800,000.00			2,800,000.00
State Communications Trust Co. Ltd.	2,945,687,630.04			2,945,687,630.04
Wuhan Tons cold storage Logistics Co. Ltd.	26,284,230.63			26,284,230.63
Yangzhou Qinqintons cold storage Logistics Co. Ltd.	2,552,856.70			2,552,856.70
Wuhan Xinhe Real Estate Co. Ltd.	1,334,805.17			1,334,805.17
Wuhan Dingxin Construction Engineering Co. Ltd.	492,236.88			492,236.88

Name of investee or Matters that create goodwill	Opening balance	Increase in current year	Reduction in current year	Closing balance
Wuhan Badatong Agricultural Products Logistics Co. Ltd.	26,539,825.65			26,539,825.65
Shayang Tianyi Pharmaceutical Co. Ltd.	1,420,595.66			1,420,595.66
Hubei Changlian Durer Pharmaceutical Co. Ltd.	13,043,428.96			13,043,428.96
Total	3,020,155,609.69			3,020,155,609.69

2. Goodwill impairment provision

Name of investee or goodwill formation	Opening balance	Increase in current year	Reduct ion in current year	Closing balance
Shayang Tianyi Pharmaceutical Co. Ltd.	1,420,595.66			1,420,595.66
Total	1,420,595.66			1,420,595.66

(21) Long-term prepayment

Item	Opening balance	Increase in current year	Amortized in current year
Building improvement and maintenance	14,201,533.81	9,782,576.60	8,514,365.68
Rental costs	92,999.02	277,492.96	294,792.92
Amortization of operational-related costs	6,737,491.69	1,528,301.89	2,237,047.19
Site insurance costs	27,079.16	45,315.50	42,609.34
Network service fee	12,675.05	22,050.00	28,350.00
Quanlida Construction Price Software		9,339.62	
Reconstruction of the platform for incoming calls	14,977.36	365,684.12	107,041.26
Vehicle insurance costs	24,328.82	15,435.87	34,812.98
Procurement and installation costs related to the City Industries Building workplace		28,853.02	3,366.16
Service charges for technology and hardware	16,509.43		16,509.43
Amortization of network construction costs	452,986.52		91,533.78
Guardian dog base	346,666.70		160,000.00
Wuchang Base Greening	408,548.97		153,205.80
Wuchang Base Complex Decoration	123,895.30		57,182.40
Home Security Monitoring Retrofit	1,995,076.38		677,451.60
Maintenance of roads at the Base	1,803,303.29		554,862.60
Movement Control Command Centre renovation and maintenance works	4,163,035.92		1,218,449.52
Security monitoring and alarm networking system	460,901.36		122,907.00
Low-voltage cable laying for generators at the neadquarters and bases of the company	136,758.89		38,165.28
Hankou base cable laying project	279,645.33		83,893.68
Company headquarters supply and distribution tem	838,194.58		239,484.12

Item	Opening balance	Increase in current year	Amortized in current year
Xinzhou base staff dormitory	87,883.30		25,722.00
Wuhu base rental staff dormitory renovation project	472,373.70		125,966.40
Base security equipment purchase and installation Item	923,439.69		257,704.08
Wuchang base rental staff dormitory renovation Item	836,819.20	836,819.20 303,131.50 453,024.51	
Wuchang base complex repair and renovation Item	303,131.50		
Hankou base kennel office business area repair and renovation Item	453,024.51		
Pachinko Springs guard dog base training facility drainage, rain and sewage wells and spectator stand renovation Item	120,372.21		33,592.20
Jiangxia Hanyang Base New Construction and Maintenance Project	246,233.31		50,081.40
Hankow base gun and ammunition room, brigade headquarters, dispatching room (3G) weak power system construction Item		247,521.81	45,379.07
Zhaokou branch clear partition, financial dispatch area construction security Item project		298,763.70	69,711.60
Sinandu Base		1,179,333.00	
Supply and distribution of electricity at Jinshan Avenue Special 1		2,199,396.72	
Newspaper and magazine subscriptions	422.75	15,882.94	9,417.75
Item Start-up materials	6,199.66	11,200.00	10,307.66
Pre-combined property costs	204,805.46		172,975.92
Land contract management right	183,300.00		
Car Reform Subsidy	330,000.00		257,660.00
Informational tray		7,520,000.00	1,253,333.33
Financial management consulting fees	2,200,000.00		1,100,000.00
Annual fiber optic fees for 2018-2019		37,735.84	
Total	38,504,612.87	23,584,883.59	18,522,424.95

(Continued)

Item	Decrease in Others in current year	Closing balance	Reasons for the decrease in Others
Building improvement and maintenance	200,668.05	15,269,076.68	Adjustments to the accounts
Rental costs		75,699.06	
Amortization of operational-related costs		6,028,746.39	
Site insurance costs		29,785.32	
Network service fee		6,375.05	
Quanlida Construction Price Software		9,339.62	
Reconstruction of the platform for incoming calls		273,620.22	
Vehicle insurance costs		4,951.71	
Procurement and installation costs related to the City Industries Building workplace		25,486.86	

Item	Decrease in Others in current year	Closing balance	Reasons for the decrease in Others
Service charges for technology and hardware	year		Maria and a second
Amortization of network construction costs	210,717.94	150,734.80	Adjustments to the accounts
Guardian dog base		186,666.70	
Wuchang Base Greening		255,343.17	
Wuchang Base Complex Decoration		66,712.90	
Home Security Monitoring Retrofit		1,317,624.78	
Maintenance of roads at the Base		1,248,440.69	
Movement Control Command Centre renovation and maintenance works		2,944,586.40	
Security monitoring and alarm networking system		337,994.36	
Low-voltage cable laying for generators at the headquarters and bases of the company		98,593.61	
Hankou base cable laying project		195,751.65	
Company headquarters supply and distribution Item		598,710.46	
Xinzhou base staff dormitory		62,161.30	
Wuhu base rental staff dormitory renovation project		346,407.30	
Base security equipment purchase and installation Item		665,735.61	
Wuchang base rental staff dormitory renovation Item		597,852.04	
Wuchang base complex repair and renovation Item		225,736.18	
Hankou base kennel office business area repair and renovation Item		334,844.19	
Pachinko Springs guard dog base training facility drainage, rain and sewage wells and spectator stand renovation Item		86,780.01	
Jiangxia Hanyang Base New Construction and Maintenance Project		196,151.91	
Hankow base gun and ammunition room, brigade headquarters, dispatching room (3G) weak power system construction Item		202,142.74	
Zhaokou branch clear partition, financial dispatch area construction security Item project		229,052.10	
Sinandu Base		1,179,333.00	
Supply and distribution of electricity at Jinshan Avenue Special 1		2,199,396.72	
Newspaper and magazine subscriptions		6,887.94	
Item Start-up materials		7,092.00	
Pre-combined property costs		31,829.54	
Land contract management right		183,300.00	
Car Reform Subsidy		72,340.00	
Informational tray		6,266,666.67	
Financial management consulting fees		1,100,000.00	
Annual fiber optic fees for 2018-2019		37,735.84	

Item	Decrease in Others in current year	Closing balance	Reasons for the decrease in Others
Total	411,385.99	43,155,685.52	

- (22) Deferred income tax assets and deferred income tax liabilities
- 1. Deferred income tax assets and deferred income tax liabilities are not shown net of offsets

	Closin	g balance	Openi	ing balance
Item	Deferred income tax assets/liabilities	Deductible or chargeable Temporary differences in taxes	Deferred income tax assets/liabilities	Deductible or chargeable Temporary differences in taxes
Deferred income tax assets:				
Provision for impairment of assets	501,989,635.67	2,016,478,454.10	387,890,412.31	1,581,836,611.25
Deductible Losses	124,473.54	727,790.45	1,512.43	6,049.72
Employee benefits	1,647,117.55	6,588,470.20	2,006,559.97	8,026,239.88
Receivables in advance	5,335,982.46	21,343,929.84	1,873,404.75	7,493,619.00
Withholding costs, etc.	625,732.17	2,502,928.68	1,095,715.37	4,382,861.48
Financial assets at fair value through profit or loss	10,652,535.60	42,610,142.38	13,307,791.85	53,231,167.40
Others	48,376,054.50	202,347,290.74	48,736,004.50	196,223,693.36
Subtotal	568,751,531.49	2,292,599,006.39	454,911,401.18	1,851,200,242.09
Deferred income tax liabilities:				7,,7,1,1
Valuation of trading financial instruments, derivative financial instruments	9,937,595.51	39,750,381.85	9,168,839.51	36,675,357.94
Changes in fair value of available-for-sale financial assets included in Other's comprehensive income	461,863,445.04	1,847,453,780.15	420,096,621.41	1,680,386,485.64
Fair value adjustment for investment properties	1,349,303.99	7,043,308.71	1,451,647.67	7,655,255.76
Others			14,846,434.42	59,385,737.68
Subtotal	473,150,344.54	1,894,247,470.71	445,563,543.01	1,784,102,837.02

2. Details of unrecognized deferred income tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	304,925,211.74	275,614,064.84
Total	304,925,211.74	275,614,064.84

(23) Other non-current assets

Item	Closing balance	Opening balance
Targeted Debt Operations	2,000,000,000.00	
Input VAT to be deducted	4,601,020.36	
Entrusted loan	25,000,000.00	
Advance payment for Item land for cold chain logistics park	106,260,000.00	106,260,000.00
Prepaid acquisition of long-term assets	1,467,744.09	3,478,654.97
Others	14,165,827.21	
Total	2,151,494,591.66	109,738,654.97

(24) Short-term loans

1. Classification of short-term loans

ltem	Closing balance	Opening balance
Pledged loan	257,212,366.11	84,000,000.00
Secured loan	276,948,366.42	1,073,995,068.54
Guaranteed loans	1,335,462,870.55	1,143,200,000.00
Credit loan	1,293,735,927.83	2,456,619,800.00
Total	3,163,359,530.91	4,757,814,868.54

2. Additional information on short-term borrowing

(1) Pledged Ioan

Loan units	Borrowing balance	Pledges
China CITIC Bank Ezhou Sub-branch	100,000,000.00	Pledge of notes receivable
China Minsheng Bank Changchun Branch	60,000,000.00	Accounts receivable claims
China Minsheng Bank Wuhan Branch	40,000,000.00	Accounts receivable claims
Zheshang Bank	57,212,366.11	Accounts receivable claims
Total	257,212,366.11	

(2) Secured loan

Loan units	Borrowing balance	Collateral
Shanghai Pudong Development Bank Co., Ltd. Wuhan Branch	85,000,000.00	Land use rights of No. 515 Zhongshan Road, Wuchang District, Wuhan, Hubel Province (Dadongmen Market)
Shanghai Pudong Development Bank Co., Ltd Wuhan Branch	90,000,000.00	Land use rights of No. 515 Zhongshan Road, Wuchang District, Wuhan, Hubei Province (Dadongmen Market)
Hankou Bank Co., Ltd. Qiaokou branch	5,000,000.00	Real estate in Hongwei Village, Xinhe Town, Hanchuan City.
Hankou Bank Co., Ltd. Qiaokou branch	9,000,000.00	Real estate in Hongwei Village, Xinhe Town, Hanchuan City.
Hankou Bank Co., Ltd. Qiaokou branch	6,000,000.00	Real estate in Hongwei Village, Xinhe Town, Hanchuan City.
Bank of Shanghai jiading Sub-branch	26,000,000.00	No. 99, Bai'an Highway, Jiading District, Shanghai, China

Loan units	Borrowing balance	Collateral
Standard chartered bank	11,929,486.55	Room 9-22, Floor 18, Building A2, Wanda Plaza, Linjiaohu, Jianghan District, Jiangsu Province
Hankou Bank co., Ltd	34,000,000.00	(1) No. 1-3, 5-8, 20 and 30, 18th Floor, A2 Building, Wanda Plaza, Linjiaohu, Jianghan District; (2) No. 6 Building, Baocheng Road, Jiangan District; (3) Fuxing Village Warehouse.
Shanghai Pudong Development Bank Co., Ltd. Wuhan Branch	10,018,879.87	wufang certificate of rights no. 2012003664-2012003 No. 667, Wufang Right Certificate Shore No. 2012003672- No. 2012003679, Wufang Right Certificate Shore Character No. 20120 No. 03681-2012003688 Owned Property and Land Use Right No. 124 of Coastal State Use (2012)
Total	276,948,366.42	

(3) Guaranteed loans

Loan units	Borrowing balance	Guarantor
Hankou Bank co., Ltd.	900,000,000.00	Wuhan Development investment Co. Ltd.
China Merchants Bank wuhan Branch	20,000,000.00	Wuhan Financial Holding (Group) Co. Ltd.
Industrial Bank wuhan Branch	100,000,000.00	Wuhan Yangluo Development Co Ltd.
Industrial Bank wuhan Branch	14,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
Industrial Bank wuhan Branch	6,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
Pudong Development Bank Lingjiao Lake Branch	10,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
Pudong Development Bank Lingjiao Lake Branch	20,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
China Merchants Bank, Wangjiawan Branch	30,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
Bohai Bank, Wuhan Branch	20,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
Bohai Bank, Wuhan Branch	2,500,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
Bohai Bank, Wuhan Branch	7,467,600.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
ndustrial Bank Qingshan Branch	30,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
ndustrial Bank Qingshan Branch	20,000,000.00	Wuhan Commerce and Trade State-owned Holding Group Co. Ltd.
ndustrial Bank wuhan Branch	2,800,000.00	Wuhan Yangtze River Shaou Vegetable Oil Co. Ltd, Du Liqun
ndustrial Bank wuhan Branch	1,200,000.00	Wuhan Yangtze River Shaou Vegetable Oil Co. Ltd, Du Liqun
ndustrial Bank wuhan Branch	300,000.00	Wuhan Yangtze River Shaou Vegetable Oil Co. Ltd, Du Liqun
dustrial Bank wuhan Branch	7,200,000.00	Wuhan Yangtze River Shaou Vegetable Oil Co. Ltd, Du Liqun
dustrial Bank wuhan Branch	2,500,000.00	Wuhan Yangtze River Shaou Vegetable Oil Co. Ltd, Du Liqun
dustrial Bank wuhan Branch	1,500,000.00	Wuhan Yangtze River Shaou Vegetable Oil Co. Ltd, Du Liqun

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Loan units	Borrowing balance	Guarantor
Zheshang Bank, Wuhan Branch	139,995,270.55	Wuhan Tons cold storage Logistics Co. Ltd., Tan Lei
Total	1,335,462,870.55	

(25) Bills payable

Categories	Closing balance	Opening balance
Bank acceptance	151,904,849.77	988,582,888.79
Trade acceptance		
Total	151,904,849.77	988,582,888.79

(26) Accounts payable

1. Status of accounts payable

Aging	Closing balance	e	Opening balance	
76116	Amount	Proportion (%)	Amount	Proportion (%)
Up to 1 year (including 1 year)	229,581,823.37	46.81	1,021,471,031.87	71.76
1 to 2 years (including 2 years)	216,217,903.20	44.09	147,842,930.08	10.39
2-3 years (including 3 years)	1,379,005.95	0.28	16,174,959.16	1.14
Over 3 years	43,226,033.66	8.82	237,930,375.52	16.71
Total	490,404,766.18	100.00	1,423,419,296.63	100.00

2. Significant accounts payable over one year old

Name of the creditor unit	Closing balance	Reason for non-reimbursement
Wuhan BYD Auto Co. Ltd.	97,212,875.00	Pending settlement
Wuhan Kaiwo Automobile Co. Ltd.	77,603,480.67	Pending settlement
China Construction Third Bureau Construction Engineering Co. Ltd.	11,160,000.00	Pending settlement
Nanjing Jinlong (Wuhan) New Energy Automobile Technology Co. Ltd.	10,054,800.00	Pending settlement
Fujian Governor Hong Construction Engineering Co. Ltd.	8,314,562.00	Pending settlement
Jizhong Bohai International Trade Co. Ltd.	6,971,424.74	Failure to collect on the other side
Wuhan Nanpu Food Co., Ltd. (Shanghai Yijia)	1,637,730.11	Not settled
Guangzhou Watsons Food & Beverage Co. Ltd.	1,181,351.69	Not settled
Zhongbo Construction Group Co. Ltd.	1,000,000.00	Guarantee
iangsu Urban and Rural Construction Engineering Co. Ltd.	426,365.10	Unsettled
Total	215,562,589.31	

3. Top five in the balance of accounts payable

Name of the creditor unit	Closing balance	Accounts payable Proportion (%)
Wuhan BYD Auto Co. Ltd.	97,212,875.00	19.82
Wuhan Kaiwo Automobile Co. Ltd.	78,003,480.67	15.91
Gao Hong New Energy Technology Co. Ltd.	16,500,000.00	3.36
China Construction Third Bureau Construction Engineering Co. Ltd.	11,160,000.00	2.28
Zhongtian Construction Group Co. Ltd.	10,288,851.00	2.10
Total	213,165,206.67	43.47

(27) Advance receipts

1. Status of advances

Aging	Closing bala	ince	Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Up to 1 year (including 1 year)	1,180,556,481.34	90.06	1,060,041,821.09	90.71
Above 1 year	130,328,828.46	9.94	108,591,575.26	9.29
Total	1,310,885,309.80	100.00	1,168,633,396.35	100.00

2. Significant advances over one year old

Name of the creditor unit	Closing balance	Reasons for non-carry-over
Wuxi Wanda City Investment Co. Ltd.	12,350,088.71	The lease term is not expired
Shanghai Huanyi International Trade Co., Ltd.	10,000,000.00	Unfinished transaction
Hubei Zishan Lake Ecological New Town Investment Co. Ltd.	8,500,000.00	The lease term is not expired
Wuhan Chuancheng Products Trade Co. Ltd.	7,169,133.44	Uncollected principal and interest on assigned loans
Tibet Financial Leasing Co., Ltd.	5,434,034.56	The lease term is not expired
Taizhou Runjiang Construction and Development Co. Ltd.	4,626,720.59	The lease term is not expired
Wuhan Hankou North Trade Market Investment Co., Ltd.	4,141,293.84	The lease term is not expired
Wuhan Jiangnan Industrial Group Co. Ltd.	4,111,261.52	Agreed to a moratorium
Hubei Xiangli Asset Management Co. Ltd.	2,914,000.00	Uncollected principal and interest on assigned loans
Jiangxi Eurasian Automobile Service Co. Ltd.	2,460,144.99	Unsettled
Nanchang Only One Shoufu City Catering Co., Ltd.	2,165,200.00	Uncollected principal and interest on assigned loans
Jiangxi Li Jian International Trade Co. Ltd.	2,165,100.00	Uncollected principal and interest on assigned loans
Hubei Xinhe Industrial Co. Ltd.	2,880,000.00	Change in oil prices and outstanding contracts
Wuhan Huayanfeng Electronic Commerce Co. Ltd.	651,636.00	Change in oil prices and outstanding contracts
Wuhan Che Jie Meng Technology Co. Ltd.	650,000.00	Contract not expired
Total	70,218,613.65	

3. Top five in balance of advances

Name of the creditor unit	Closing balance	Percentage of accounts receivable proportion (%)
Beiqi Penglong (Tianjin) Import and Export Co. Ltd.	250,997,000.00	19.15
Hubei Furong Zihong Industrial Development Co. Ltd.	99,202,896.70	7.57
Tianjin Teng Pan Auto Sales Co. Ltd.	29,991,632.48	2.29
Shenzhen Songzhihui Trading Co. Ltd.	25,158,447.10	1.92
Shanghai Hai Shi Rong Industry Co. Ltd.	23,351,536.50	1.78
Total	428,701,512.78	32.71

(28) Employee benefits payable

1. Classification of employee benefits payable

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Short-term remuneration	323,302,013.97	1,183,043,929.14	1,161,592,849.66	344,753,093.45
Post-employment benefits - defined contribution plans	24,698,345.22	85,729,874.89	93,973,325.85	16,454,894.26
Termination benefits		1,358,147.59	1,358,147.59	
Benefits due within one year				
Others				
Total	348,000,359.19	1,270,131,951.62	1,256,924,323.10	361,207,987.71

2. Short-term remuneration

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Salaries, bonuses, allowances and subsidies	291,099,418.79	1,025,993,673.27	1,008,104,392.71	308,988,699.35
Employee benefit	3,711,783.91	48,922,699.24	48,693,246.65	3,941,236.50
Social insurance contributions	3,366,361.94	44,016,442.14	43,591,342.36	3,791,461.72
Including: Medical insurance premiums	3,281,239.53	40,400,659.55	39,969,658.75	3,712,240.33
Work injury insurance	30,561.49	773,734.04	763,766.59	40,528.94
Maternity insurance premium	49,693.02	2,822,668.20	2,838,536.67	33,824.55
Others	4,867.90	19,380.35	19,380.35	4,867.90
Housing Provident Fund	1,437,014.42	39,422,094.25	40,045,988.78	813,119.89
Funds for trade unions and staff education	23,668,634.93	21,104,453.58	17,599,056.00	27,174,032.51
Short-term paid absences				
Short-term profit-sharing plan				
Other Short-term remuneration	18,799.98	3,584,566.66	3,558,823.16	44,543.48
Total	323,302,013.97	1,183,043,929.14	1,161,592,849.66	344,753,093.45

3. Defined contribution plans

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Basic pension insurance	1,531,885.43	80,217,173.36	80,325,132.99	1,423,925.80
Unemployment insurance premiums	77,577.24	3,037,098.08	3,035,367.15	79,308.17
Enterprise Annuity Contributions	15,114,800.90	10,449,685.10	10,612,825.71	14,951,660.29
Others	7,974,081.65	-7,974,081.65		
Total	24,698,345.22	85,729,874.89	93,973,325.85	16,454,894.26

(29) Taxes and fees payable

Item	Opening balance	Increase in current year	Reduction in current year	Closing balance
Value-added tax (VAT)	168,149,775.77	482,793,795.32	538,739,780.49	112,203,790.60
Consumption tax	813.40	640,437,222.15	640,437,222.15	813.40
Corporate income tax	644,242,921.31	720,269,797.86	834,558,191.84	529,954,527.33
City maintenance and construction tax	16,632,205.65	33,710,499.51	35,369,009.42	14,973,695.74
Property tax	7,396,591.31	41,466,030.90	40,404,421.96	8,458,200.25
Land-use tax	5,453,988.57	25,714,473.15	26,188,064.01	4,980,397.71
Individual income tax	16,914,148.59	109,606,013.61	96,563,510.79	29,956,651.41
Educational surcharges (including local educational surcharges)	11,336,062.49	22,140,022.40	23,303,416.76	10,172,668.13
Other taxes	685,500,267.18	424,741,486.02	490,499,931.84	619,741,821.36
Total	1,555,626,774.27	2,500,879,340.92	2,726,063,549.26	1,330,442,565.93

(30) Other payables

Item	Closing balance	Opening balance
Interest payable	492,621,578.44	507,509,133.89
Dividend payable	262,652,589.72	145,629,736.70
Other payables	5,164,276,999.10	4,985,921,205.14
Total	5,919,551,167.26	5,639,060,075.73

1. Status of interest payable

Item	Closing balance	Opening balance
Interest on long-term loans due for repayment by instalments	144,674,720.78	154,318,685.10
Interest on corporate bonds	42,627,410.77	49,335,143.84
Interest payable on short-term loans	3,140,088.33	2,708,816.19
Other interest	302,179,358.56	301,146,488.76
Total	492,621,578.44	507,509,133.89

Note: Other interest mainly interest on LIBOR payable and interest on interbank loans payable.

2. Dividend payable

Item	Closing balance	Opening balance	
Common share dividend	262,652,589.72	145,629,736.70	
Total	262,652,589.72	145,629,736.70	

3. Other payables

(1) Others payables classified by nature of payment

Nature of funds	Closing balance	Opening balance
Other related party transactions	192,302,043.74	1,688,076,866.61
Personal current account	2,714,479.67	3,073,156.61
Transactions with outside units	3,888,729,337.83	2,009,510,511.95
Demolition and relocation expenses	249,065,174.32	212,016,165.32
Operating funds	122,303,799.64	110,333,045.35
Housing rent and property costs	1,284,660.00	1,317,771.22
Borrowing from non-financial institutions		38,316.00
Pledge, security deposit, call money, deposit, security deposit	415,778,450.77	466,909,451.71
Collection agency	84,399,829.30	92,065,314.37
Costs to be paid	8,545,272.97	12,354,858.77
Provisional receipts	123,280,280.96	138,343,333.02
Special fund	13,305,517.35	12,105,517.35
Construction cost	7,621,382.62	30,261,835.29
Funding for party-building work	3,414,206.87	229,976.95
Meatpacking set-aside (set-aside for the restructuring of old enterprises)		16,693,023.86
Others	51,532,563.06	192,592,060.76
Total	5,164,276,999.10	4,985,921,205.14

(2) Significant Others payables over one year old

Unit Name	Closing balance	Reasons for non-payment	
Wuhan Yijing Jiangnan Property Co. Ltd.	88,406,585.67	Related party transactions	
Wu Xin Silver Lake Private Equity investment fund	69,130,644.33	Investments of the Fund	
Wuhan Guanshi Investment Co. Ltd.	29,019,711.85	Financial difficulties	
Xinyixing Electric Vehicle (Wuhan) Co. Ltd.	23,607,700.00	Margins not yet due	
Wuhan Kangheng Real Estate Development Co. Ltd.	25,087,000.00	Agreed to a moratorium	
Shenzhen Wuxin Innovative Equity Investment Fund	24,525,000.00	Failure of creditors to call	
Suzhou Huiyin Hesheng Real Estate Investment Fund partnership	23,674,100.00	Investments of the Fund	
Wuhan Shengtai Real Estate Development Co., Ltd.	15,000,000.00	Margins not yet due	

Unit Name	Closing balance	Reasons for non-paymen
Wuhan Hexin Investment Co. Ltd.	14,320,000.0	O Failure of creditors to call
Hainan Tetra Pak Real Estate Development Co.Ltd.	10,684,611.5	O Agreed to a moratorium
Wuhan Hecheng Life Technology Development Co. Ltd.	10,000,000.00	Failure of creditors to call
Hubei Zhongcheng Real Estate Development Co. Ltd.	9,962,500.00	Agreed to a moratorium
Yangzijiang Automobile Group Co. Ltd.	9,601,300.00	Margins not yet due
Wuhan Labor Bureau	7,720,000.00	Delegated Item Borrowing
Wuhan Guanghe Steel Trading Co. Ltd.	6,000,000.00	Margins not yet due
Wang Jian	2,000,000.00	Margins not yet due
Cheng Shiming	2,000,000.00	Margins not yet due
Wuhan Yunkang Steel Trading Co. Ltd.	2,000,000.00	Margins not yet due
Hubei Zhongsheng Construction Engineering Co. Ltd.	2,000,000.00	Margins not yet due
Wuhan Qingjiang Chemical Co. Ltd.	2,000,000.00	Margins not yet due
Wuhan Finance Bureau	2,000,000.00	Government borrowing for cooperative development
Wuhan Baichang Network Technology Co. Ltd.	1,900,000.00	Margins not yet due
Qianjiang Yuanda Chemical Co. Ltd.	1,700,000.00	Margins not yet due
Municipal Development and Reform Commission	1,467,433.55	Delegated Item Borrowing
Nuhan Xin Angel Trading Co. Ltd.	1,000,000.00	Margins not yet due
Nuhan Shengdian Packaging Material Co. Ltd.	1,000,000.00	Margins not yet due
Vuhan Lighting Agricultural Technology Co. Ltd.	1,000,000.00	Margins not yet due
luangshi DE Honest Industry Group Co. Ltd.	1,000,000.00	Item not completed
Municipal Labor Bureau	1,543,603.89	Current account
Vuhan Boya Decoration Engineering Company	1,300,000.00	Not settled
nancial Loan (Kumho Development)	2,000,000.00	Current account
ustomer Deposits, Security Deposits	13,961,731.89	Unsettled
ruhan Hongxing Macalline Zhengda Logistics Co., Ltd.	48,127,308.66	Unsettled
ouse maintainer		The historical legacy of house demolition
uhan Changsheng Property Real Estate Development ,, Ltd.		The company has been written off
Total	464,142,047.92	

(3) Other top five in balance payable

Company name	Closing balance	Represent Other payable Proportion (%)
Wuhan Ink Tsinghua Real Estate Development Co. Ltd.	1,100,000,000.00	21.30
Hubei Yujiatou Group Co. Ltd.	560,000,000.00	10.84
Wuhan Gaorun Investment Management Co. Ltd.	150,000,000.00	2.90

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Company name	Closing balance	Represent Other payable Proportion (%)	
Wuhan Diansheng Property Development Co. Ltd.	124,533,333.32	2.41	
Wuhan Yijing Jiangnan Property Co. Ltd.	88,406,585.67	1.71	
Total	2,022,939,918.99	39.16	

(31) Non-current liabilities due within 1 year

1. Details of non-current liabilities due within 1 year

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year	12,719,923,581.40	9,740,700,000.00
Bonds payable due within 1 year	600,000,000.00	400,000,000.00
Long-term payables due within 1 year	227,415,030.89	6,462,846.65
Total	13,547,338,612.29	10,147,162,846.65

2. Supplementary information of long-term borrowings due within 1 year

(1)Pledge loans

Loan unit	Borrowing balance	Pledge	
China Jingu International Trust Co., Ltd.	30,500,000.00	Due from related parties	
Total	30,500,000.00		

(2) Mortgage loans

Loan unit	Borrowing balance	Collateral
Bank of Communications Co., Ltd. Wuhan New World Sub-branch	288,500,000.00	Land use right and construction in progress of plot A of Dingxiu Northwest Lake
Wuhan Jiangan Sub-branch of Huaxia Bank Co., Ltd.	1,000,000.00	WXGY (2011) No. 084 land use right certificate of Wuhan Banglun Pharmaceutical Technology Co., Ltd.
Total	289,500,000.00	

(3) Guaranteed loans

Loan unit	Borrowing balance	Guarantor	
Zhonghai Trust Co., Ltd.	300,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd. Wuhan Credit Risk Management Co., Ltd.	
Xiamen International Trust Co., Ltd.	75,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.	
Western Trust Co., Ltd.	85,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.	
Chang'an International Trust Co., Ltd.	300,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.	
CCB Trust Co., Ltd.	150,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.	
Huaneng Guicheng Trust Co., Ltd.	624,800,000.00	Wuhan Financial Holdings (Group) Co., Ltd.	

Loan unit	Borrowing balance	Guarantor
Luzhou Commercial Bank Co., Ltd.	230,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
AVIC Trust Co., Ltd.	500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Rural Commercial Bank Co., Ltd.	500,000,000.00	Wuhan Credit Investment Group Co., Ltd.
CITIC Trust Co., Ltd.	1,500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
CITIC Trust Co., Ltd.	350,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Yunnan International Trust Co., Ltd.	495,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Minmetals International Trust Co., Ltd.	1,000,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Wuhan Rural Commercial Bank Co., Ltd.	700,000,000.00	Wuhan Credit Investment Group Co., Ltd., Wuhan Development & Investment Co., Ltd.
Everbright Xinglong Trust Co., Ltd.	1,110,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Everbright Xinglong Trust Co., Ltd.	296,900,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
China Railway Trust Co., Ltd.	500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Shanghai International Trust Co., Ltd.	1,000,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Bank of East Asia (China) Co., Ltd. Wuhan Branch	2,000,000.00	Wuhan Credit Risk Management Co., Ltd.
Hankou Bank Co., Ltd.	164,873,581.40	Wuhan Yangluo Development Co., Ltd.
hina Merchants Bank Huaqiao Sub-branch	12,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
xport-Import Bank of China Hubei Branch	98,850,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Total	9,994,423,581.40	

3. Changes in bonds payable due within 1 year

Bond name	Total face value	Issuing date	Bond period	Issued amount	Opening balance
China Central Depository & Clearing Corporation Limited 2014 First Medium Term Notes	400,000,000.00	2014/10/29	5 years	400,000,000.00	400,000,000.00
Minsheng Bank - Direct Financing Tools	100,000,000.00	2018/8/17	3 years	100,000,000.00	
2018 Corporate Bonds - 18 Wushang 01	500,000,000.00	2018/3/14	3 years	500,000,000.00	
Total	1,000,000,000.00			1,000,000,000.00	400,000,000.00

(Continued)

Bond name	Issued in current year	Interest accrued at face value	Repaid during the period	Reclassified	Closing balance
China Central Depository & Clearing Corporation Limited 2014 First Medium Term Notes		19,270,666.65	419,270,666.65		
Minsheng Bank - Direct Financing Tools		6,590,277.81	6,590,277.81	100,000,000.00	100,000,000.00
2018 Corporate Bonds - 18 Wushang		35,500,000.00	35,500,000.00	500,000,000.00	500,000,000.00
Total		61,360,944.46	461,360,944.46	600,000,000.00	600,000,000.00

(32) Other current liabilities

1. Classification of other current liabilities

Item	Closing balance	Opening balance
Short-term bonds payable	300,000,000.00	300,000,000.00
Unexpired liability reserve	32,550,546.77	26,025,246.74
Provision for warranty claims	35,347,775.17	43,487,325.17
Borrowing funds	26,650,250,000.00	20,592,220,000.00
Output tax to be transferred		129,505.36
inancial assets sold for repurchase	39,397,463.83	
Other	1,730,830,913.65	2,231,981,136.93
Total	28,788,376,699.42	23,193,843,214.20

(1) Details of short-term bonds payable

Bond name	Total face value	Issuing date	Bond period	Issued amount	Opening balance
2018 Ultra-short-term Financing Bonds (18 Wuhan Trade SCP001)	300,000,000.00	2018/9/17	1 year	300,000,000.00	300,000,000.00
Wuhan Trade State-owned Holding Group Co., Ltd. 2019 First Ultra-short-term Financing Bonds	300,000,000.00	2019/3/25	1 year	300,000,000.00	
Wuhan Trade State-owned Holding Group Co., Ltd. 2019 Second Ultra-short-term Financing Bonds	300,000,000.00	2019/5/7	1 year	300,000,000.00	
Total	900,000,000.00			900,000,000.00	300,000,000.00

(Continued)

Bond name	Issued in current year	Interest accrued at face value	Amortization of premiums and discounts	Repaid in current year	Closing balance
2018 Ultra-short-term Financing Bonds (18 Wuhan Trade SCP001)		8,015,068.49		308,015,068.49	
Wuhan Trade State-owned Holding Group Co., Ltd. 2019 First Ultra-short-term Financing Bonds	300,000,000.00	11,065,573.77		311,065,573.77	
Wuhan Trade State-owned Holding Group Co., Ltd. 2019 Second Ultra-short-term Financing Bonds	300,000,000.00	10,344,357.75		10,344,357.75	300,000,000.00
Total	600,000,000.00	29,425,000.01		629,425,000.01	300,000,000.00

(33) Long-term borrowings

1. Classification of long-term borrowings

Item	Closing balance	Opening balance	Range of interest rates at year-end (%)
Pledge loans	2,110,000,000.00	318,675,000.00	9.00-11.50
Mortgage loans	1,601,622,534.82	1,007,880,653.48	4.75 - 6.80
Guaranteed loans	9,594,784,756.60	4,224,100,000.00	4.75-13.00
Credit loans	7,102,291,823.26	15,143,847,145.18	1.80-3.15
Total	20,408,699,114.68	20,694,502,798.66	

2. Supplementary information of long-term borrowings

(1)Pledge loans

Loan unit	Borrowing balance	Pledge	
Minmetals International Trust Co., Ltd.	800,000,000.00	Due from related parties	
Kunlun Trust Co., Ltd.	800,000,000.00	Due from related parties	
COFCO Trust Co., Ltd.	100,000,000.00	Due from related parties	
Haier Financial Factoring (Chongqing) Co., Ltd.	400,000,000.00	Accounts receivable - Wuxin Investment Holdings (Shenzhen) Co., Ltd. RMB 500 million	
China Merchants Bank Co., Ltd. Wuhan Branch	10,000,000.00	Accounts receivable held for the debtor stake of Wuhan Public Transport Group Co., Ltd. Ticket Management Company and Wuhan Zhongbang Bank Co., Ltd.	
Total	2,110,000,000.00		

(2) Mortgage loans

Loan unit	Borrowing balance	Collateral
China Merchants Bank Co., Ltd.	8,086,513,99	Changfa Headquarters Office Building
Wuhan Rural Commercial Bank Co., Ltd. Yangluo Economic Development Zone Sub-Branch	897,000,000.00	Real estate mortgage of construction in progress of "Wuhan New Port Central Chin: Trade Service Zone"
Bank of Communications Baofeng Road Sub-branch	99,500,000.00	1-2F, Commercial Building "Dingxiu Plaza", No.36, Longyang Avenue, Hanyang District
Bank of Communications Baofeng Road Sub-branch	82,500,000.00	1-3F, Commercial Building "Dingxiu Plaza", No.36, Longyang Avenue, Hanyang District
Bank of Communications Baofeng Road Sub-branch	94,500,000.00	1-4F, Commercial Building "Dingxiu Plaza", No.36, Longyang Avenue, Hanyang District
Bank of Communications Baofeng Road Sub-branch	71,500,000.00	1-5F, Commercial Building "Dingxiu Plaza", No.36, Longyang Avenue, Hanyang District
Wuhan Jiangan Sub-branch of Huaxia Bank Co., Ltd.	18,536,020.83	WXGY (2011) No.084 land use right certificate of Wuhan Banglun Pharmaceutical Technology Co., Ltd.
Agricultural Development Bank of China	330,000,000.00	Huading Property & Land
Total	1,601,622,534.82	

(3) Guaranteed loans

Loan unit	Borrowing balance	Guarantor
Hankou Bank Jiangan Sub-branch	1,028,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Lujiazui International Trust Co., Ltd.	500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Yunnan International Trust Co., Ltd.	203,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
CCB Trust Co., Ltd.	1,150,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
AVIC Trust Co., Ltd.	500,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
China Orient Asset Management Co., Ltd. Heilongjiang Branch	341,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd., Wuhan Credit Investment Group Co., Ltd.
CITIC Trust Co., Ltd.	720,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Everbright Xinglong Trust Co., Ltd.	157,500,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Zhongrong International Trust Co., Ltd.	1,499,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Bohai International Trust Co., Ltd.	2,000,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Bank of East Asia (China) Co., Ltd. Wuhan Branch	351,000,000.00	Wuhan Credit Risk Management Co., Ltd.
Agricultural Development Bank of China Hubei Branch	319,774,700.00	Wuhan Financial Holdings (Group) Co., Ltd.
Huaxia Bank Co., Ltd.	150,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Hankou Bank Co., Ltd.	29,626,418.60	Wuhan Yangluo Development Co., Ltd.

Loan unit	Borrowing balance	Guarantor
China Merchants Bank Huaqiao Sub-branch	82,000,000.00	Wuhan Financial Holdings (Group) Co., Ltd.
Export-Import Bank of China Hubei Branch	323,883,638.00	Wuhan Financial Holdings (Group) Co., Ltd.
Zheshang Bank Co., Ltd. Wuhan Branch	240,000,000.00	Wuhan Wanton Cold Storage & Logistics Co. Ltd., Tan Lei
Total	9,594,784,756.60	

(34) Bonds payable

1. Details of bonds payable

Item	Closing balance	Opening balance
Wuhan Financial Holdings (Group) 2016 First Corporate Bonds	1,243,050,000.04	1,242,466,666.68
Wuhan Financial Holdings (Group) 2016 Second Corporate Bonds	821,611,111.10	821,178,888.88
2017 Wujinkong MTN001	610,532,666.66	609,410,333.33
2018 Offshore Bonds	990,620,400.00	974,120,000.00
2018 Wujinkong SCP002		1,502,897,083.33
2018 Wujinkong MTN001	609,455,000.00	608,835,000.00
2019 Wujinkong SCP001	1,012,150,000.00	
2019 Second Offshore Bonds	2,160,530,392.85	
2019 Finance Direct Financing Phase 1	1,250,000,000.00	
2020 Finance Direct Financing Phase 2	750,000,000.00	
Debt financing scheme\Huaxia Bank ZR001	2,000,000,000.00	
Debt financing scheme\Zhejiang Commercial Bank	1,022,293,333.34	
Corporate Bonds - 16 Wuhan Trade		300,000,000.00
Minsheng Bank - Direct Financing Tools		100,000,000.00
018 Corporate Bonds - 18 Wushang 01		500,000,000.00
as Bonds	12,648.00	12,648.00
Total	12,470,255,551.99	6,658,920,620.22

2. Changes in bonds payable

Bond name	Total face value	Issuing date	Bond period	Issued amount
Wuhan Financial Holdings (Group) 2016 First Corporate Bonds	1,200,000,000.00	2016.3.29	5 years	1,200,000,000.00
Wuhan Financial Holdings (Group) 2016 Second Corporate Bonds	800,000,000.00	2016.4.20	5 years	800,000,000.00

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Bond name	Total face value	Issuing date	Bond period	Issued amount
2017 Wujinkong MTN001	600,000,000.00	2017.08.21	5 years	600,000,000.00
2018 Offshore Bonds	990,620,400.00	2018.12.28	3 years	990,620,400.00
2018 Wujinkong SCP002	1,500,000,000.00	2018.12.4	270 days	1,500,000,000.00
2018 Wujinkong MTN001	600,000,000.00	2018.8.29	3 years	600,000,000.00
2019 Wujinkong SCP001	1,000,000,000.00	2019.8.8	270 days	1,000,000,000.00
2019 Second Offshore Bonds	2,092,860,000.00	2019.9.16	833 days	2,092,860,000.00
2019 Finance Direct Financing Phase 1	1,250,000,000.00	2019.6.17	1.5 years	1,250,000,000.00
2020 Finance Direct Financing Phase 2	750,000,000.00	2019.6.27	1.5 years	750,000,000.00
Debt financing scheme\Huaxia Bank ZR001	2,000,000,000.00	2019.6.28	5 years	2,000,000,000.00
Debt financing scheme\Zhejiang Commercial Bank	1,000,000,000.00	2019.8.15	2 years	1,000,000,000.00
Corporate Bonds - 16 Wuhan Trade	300,000,000.00	2016.4.29	5 years	300,000,000.00
Gas Bonds	12,648.00	2016.4.1	1 year	12,648.00
Total	14,083,493,048.00	-		14,083,493,048.00

(Continued 1)

Bond name	Opening balance	Issued in current year	Interest accrued at face value
Wuhan Financial Holdings (Group) 2016 First Corporate Bonds	1,242,466,666.68	P	42,583,333.36
Wuhan Financial Holdings (Group) 2016 Second Corporate Bonds	821,178,888.88		31,552,222.22
2017 Wujinkong MTN001	609,410,333.33		31,511,666.64
2018 Offshore Bonds	974,120,000.00	24,111,600.00	53,996,771.69
2018 Wujinkong SCP002	1,502,897,083.33		42,485,108.45
2018 Wujinkong MTN001	608,835,000.00		28,287,500.00
2019 Wujinkong SCP001		1,000,000,000.00	12,150,000.00
2019 Second Offshore Bonds		2,092,860,000.00	112,464,489.30
2019 Finance Direct Financing Phase 1		1,250,000,000.00	37,489,583.33
2020 Finance Direct Financing Phase 2		750,000,000.00	21,756,250.01
Debt financing scheme\Huaxia Bank ZR001		2,000,000,000.00	69,027,686.70
Debt financing scheme\Zhejiang		1,000,000,000.00	22,293,333.34

Bond name	Opening balance	Issued in current year	Interest accrued at face value
Corporate Bonds - 16 Wuhan Trade	300,000,000.00		5,359,722.17
Gas Bonds	12,648.00		
Total	6,058,920,620.22	8,116,971,600.00	510,957,667.21

(Continued 2)

Bond name	Amortization of premiums and discounts	Repaid in current year	Closing balance
Wuhan Financial Holdings (Group) 2016 First Corporate Bonds		42,000,000.00	1,243,050,000.04
Wuhan Financial Holdings (Group) 2016 Second Corporate Bonds		31,120,000.00	821,611,111.10
2017 Wujinkong MTN001		30,389,333.31	610,532,666.66
2018 Offshore Bonds		61,607,971.69	990,620,400.00
2018 Wujinkong SCP002		1,545,382,191.78	
2018 Wujinkong MTN001		27,667,500.00	609,455,000.00
2019 Wujinkong SCP001			1,012,150,000.00
2019 Second Offshore Bonds		44,794,096.45	2,160,530,392.85
2019 Finance Direct Financing Phase 1		37,489,583.33	1,250,000,000.00
2020 Finance Direct Financing Phase 2		21,756,250.01	750,000,000.00
Debt financing scheme\Huaxia Bank ZR001		69,027,686.70	2,000,000,000.00
Debt financing scheme\Zhejiang Commercial Bank			1,022,293,333.34
Corporate Bonds - 16 Wuhan Trade		305,359,722.17	
Sas Bonds			12,648.00
Total		2,216,594,335.44	12,470,255,551.99

(35) Long-term payables

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Long-term payables	2,194,725,219.37	2,535,196,839.07	1,355,355,616.70	3,374,566,441.74
Special payables	40,367,242.96	11,470,000.00	12,976,527.55	38,860,715.41
Total	2,235,092,462.33	2,546,666,839.07	1,368,332,144.25	3,413,427,157.15

1. Top 5 long-term payables by closing balance

Item	Closing balance	Opening balance
Total	2,572,523,195.86	1,160,204,731.98
Ping An International Financial Leasing Co., Ltd.	933,360,248.57	513,902,138.24
Haitong Unitrust International Leasing Co., Ltd.	854,067,722.03	
China Foreign Trade Financial Leasing Co., Ltd.	400,000,000.00	500,000,000.00
China Huarong Financial Leasing Co., Ltd.	218,980,371.26	146,302,593.74
egend Financial Leasing Co., Ltd.	166,114,854.00	

2. Top 5 special payables by closing balance

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Total	34,490,353.41	11,470,000.00	7,140,000.00	38,820,353.41
Municipal Finance Bureau Entrusted Loans	2,001,976.00			2,001,976.00
Municipal Finance Bureau Entrusted Investment	1,480,000.00			1,480,000.00
Municipal Technology Bureau Entrusted Investment	300,000.00			300,000.00
Special funds for warehouse construction	1,089,827.54	11,470,000.00	7,140,000.00	5,419,827.54
pecial appropriations	29,618,549.87			29,618,549.87

Note: Special appropriations refers to the "local capital construction funds allocated by the higher level" received by the Construction Investment Company from Wuhan Municipal Finance Bureau before 2005.

(36) Provisions

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
External guarantees	25,916,103.09			25,916,103.09
Total	25,916,103.09			25,916,103.09

(37) Deferred income

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Government grants	54,898,813.68	18,331,080.00	3,174,032.50	70,055,861.18
Trust remuneration	44,663,654.08	31,527,013.75		76,190,667.83
Subsidies for new energy vehicles	260,286,925.15		58,766,300.35	201,520,624.80
Sale and leaseback gains	10,319.36		10,319.36	
Unrealized sale and leaseback gains or losses	8,545,023.24		4,964,027.54	3,580,995.70

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Total	368,404,735.51	49,858,093.75	66,914,679.75	351,348,149.51

Note: The closing balance of government grants consists of: Chongqing Wanton Cold Storage & Logistics Co., Ltd., a subsidiary of the Group, received support funds for cold chain logistics project, with a balance of RMB 28,015,714.28 as of December 31st, 2019; Wuhan Wanton Central China Cold Chain Port Co., Ltd., a subsidiary of the Group, received construction subsidies for infrastructure projects, with a balance of RMB 2,000,000.00 as of December 31st, 2019; Grain and Oil Company, a subsidiary of the Company, received government grants for infrastructure projects, with a balance of RMB 40,040,146.90 as of December 31st, 2019.

(38) Other non-current liabilities

Item	Closing balance	Opening balance
Government subsidies	17,119,732.00	17,119,732.00
Total	17,119,732.00	17,119,732.00

(39) Paid-in capital

Investor Investment Ratio (%) Investment amount Ratio (%)	Opening balance		faceance la	Decrease in	Closing balance	
	The state of the s	current year	Investment amount	Ratio (%)		
State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government	3,970,203,502.35	100.00	59,796,497.65		4,030,000,000.00	100.00
Total	3,970,203,502.35	100.00	59,796,497.65		4,030,000,000.00	100.00

Note: The increase in current year of RMB 59,796,497.65 was due to the increase of RMB 29,796,497.65 in capital investment and RMB 30,000,000.00 in the allocation from SASAC to supplement the formation of registered capital, in accordance with the Approval and Reply of Municipal State-owned Assets Supervision and Administration Commission (referred as to SASAC) on transferring the equity of China Eastern Airlines Wuhan Co., Ltd. to Financial Holdings Group (WGZGG [2019] No.1).

(40) Other equity instruments

Bond name	Opening balance	Increase in current year	Decrease in current year	Closing balance
2017 Wujinkong TN002 with the term of 5+N years	1,000,000,000.00			1,000,000,000.00
2018 Wujinkong TN002 with the term of 3+N years	1,000,000,000.00			1,000,000,000.00
2019 Wujinkong MTN001 with the term of 3+N		2,100,000,000.00		2,100,000,000.00

years			
Total	2,000,000,000.00	2,100,000,000.00	4,100,000,000.00

(41) Capital reserve

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Capital (or equity) premium				
II. Other capital reserve	6,741,498,993.86	196,079,026.70		6,937,578,020.56
Total	6,741,498,993.86	196,079,026.70		6,937,578,020.56
Including: State-owned exclusive capital reserve				

Note: The increase in current year was mainly due to the increase of capital reserve formed by the equity of China Eastern Airlines Wuhan Co., Ltd. and other companies transferred by the Municipal SASAC free of charge.

(42) Special reserve

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Safety production cost	3,117,081.50			3,117,081.50
Total	3,117,081.50			3,117,081.50

(43) Surplus reserve

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserve	22,372,098.54			22,372,098.54
Arbitrary surplus reserve				C 193 C 2017 C 2017
Total	22,372,098.54			22,372,098.54

(44) General risk reserve

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
General risk reserve	280,126,919.94	163,867,108.53		443,994,028.47
Total	280,126,919.94	163,867,108.53		443,994,028.47

(45) Retained earnings

Item	Amount in current year	Amount in previous year
Opening balance in current year	2,994,774,973.54	2,563,099,454.52
Increase in current year	797,726,011.31	594,401,325.68
Including: Transfer of net profit for the year	797,726,011.31	594,401,325.68
Other adjustment factors		

Item	Amount in current year	Amount in previous year
Decrease in current year	389,863,360.67	162,725,806.66
Including: Appropriation of surplus reserve in current year		
Appropriation of general risk reserve in current year	156,003,360.67	32,567,905.13
Cash dividends distributed in current year	233,860,000.00	82,162,777.78
Capital reserve converted to share capital		
Other decrease		47,995,123.75
Closing balance in current year	3,402,637,624.18	2,994,774,973.54

(46) Operating income and operating cost

1. Operating income and cost

Item	Incurred in current year		
	Income	Cost	
1. Subtotal of main businesses	48,123,541,363.76	40,351,231,527.09	
Including: Financial services sector	6,653,271,000.45	1,239,583,042.26	
Industry sector	41,470,270,363.31	39,111,648,484.83	
Total	48,123,541,363.76	40,351,231,527.09	

(Continued)

ltem	Incurred in previous year		
	Income	Cost	
1. Subtotal of main businesses	37,453,918,997.93	29,309,438,329.87	
Including: Financial services sector	6,389,144,021.21	940,897,939.36	
Industry sector	31,064,774,976.72	28,368,540,390.51	
Total	37,453,918,997.93	29,309,438,329.87	

(47) Selling expenses, administrative expenses, R&D expenses, financial expenses

1. Selling expenses

Item	Amount in current year	Amount in previous year
Transport costs	89,906,520.63	97,173,349.53
Handling charges	5,196,972.35	550,070.22
Storage fees	11,415,562.23	9,216,032.25
Insurance premium	546,791.25	606,904.52
Advertising fee	3,083,261.85	13,893,401.97

Item	Amount in current year	Amount in previous year
Sales and service fees	11,509,696.50	19,197,808.19
Employee benefits	86,536,862.04	78,077,854.66
Operating funds	69,865,498.57	140,669,276.07
Depreciation expenses	67,866,967.44	46,617,166.90
Repair fees	1,260,819.71	2,434,241.32
Sample and product losses	2,299.20	0.00
Travel expenses	3,318,383.07	2,464,401.95
Promotion expenses	822,936.82	890,801.46
Consulting fees	730,394.52	517,940.72
Office expenses	1,022,065.27	1,689,609.97
Vehicle expenses	1,880.88	3,003.00
Utilities	1,410,733.87	4,600,755.78
Transport fares	1,876,955.00	2,081,285.13
Property security costs	5,161,609.16	2,533,960.75
Amortization of renovation costs	2,559,212.08	1,991,608.04
Loss of goods	1,440,300.27	1,026,742.04
iving subsidy	851,556.23	720,000.00
Rental fee	8,046,811.20	189,866.49
Other	32,252,523.66	20,891,208.55
Total	406,686,613.80	448,037,289.51

2. Administrative expenses

Item	Amount in current year	Amount in previous year
Employee benefits	896,634,054.92	865,260,622.62
Insurance premium	7,283,171.65	3,870,053.86
Depreciation expenses	81,829,341.97	95,088,109.27
Repair fees	16,200,102.53	20,323,120.41
Amortization of intangible assets	28,522,614.63	23,609,330.63
Inventory losses	12,009.10	1,333,867.96
Entertainment expenses	10,646,151.90	12,816,345.01
Fravel expenses	22,115,838.17	25,249,633.94

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

Item	Amount in current year	Amount in previous year
Office expenses	17,645,045.11	25,781,202.62
Conference expenses	1,360,043.87	1,327,989.41
Legal costs	1,619,128.18	1,769,484.23
Fees for hiring an intermediary	45,342,024.35	42,466,822.70
Including: Audit costs of annual accounts	522,257.72	651,853.25
Consulting fees	53,960,390.70	80,740,863.27
Board fees	863,874.13	-56,491,240.84
Sewage charge	1,192,289.34	4,355,477.57
Property management fees	38,167,511.80	40,269,130.02
Entrusted management fee	20,763.20	34,826.50
Retiree costs	210,092.28	206,452.08
Board (or supervisory board) fees	-2,253,831.45	454,098.30
Bidding fee	249,697.56	193,922.07
Party building funds	3,705,670.30	427,430.61
Corporate culture building fees	127,066.92	110,313.69
Publicity costs, administrative costs	4,718,247.59	9,688,739.89
Safety production cost	1,535,620.86	463,417.21
Rental fee	39,898,681.52	39,340,868.95
Employment Guarantee Fund for the Disabled	635,787.38	343,883.32
Low-value consumables	3,417,440.34	2,218,869.46
Service fees	297,919.81	341,896.19
Labour protection fees	4,267,495.94	176,704.88
Retiree expenses	1,491,237.57	1,767,495.41
Publicity costs	6,915,380.87	1,877,697.53
Store, supermarket fees	15,161,048.37	12,205,038.99
Amortization expenses	86,851.95	5,387,808.19
Utilities	10,041,932.56	5,110,177.05
Security service charges	2,316,701.64	1,837,723.99
ransport costs	3,106,697.69	2,392,081.35

The first state of the first sta			
Amount in current year	Amount in previous year		
622,354.25	1,044,701.62		
	300,000.00		
1,349,084.09	242,864.96		
1,216,597.18	183,310.82		
69,608,478.01	86,193,854.84		
1,392,140,608.78	1,360,314,990.58		
	Amount in current year 622,354.25 1,349,084.09 1,216,597.18 69,608,478.01		

3. R&D expenses

İtem	Amount in current year	Amount in previous year
Smart City	1,232,877.93	
Annual patent fees	3,960.00	3,344.25
R&D expenses		2,553,950.43
Laboratory testing research fees for petrochemical products	6,704,693.13	11,219,439.64
R&D Projects of Wuhan Trade Holding	16,019,545.40	16,713,297.58
Total	23,961,076.46	30,490,031.90

4. Financial expenses

Туре	Amount in current year	Amount in previous year
Interest expenses	3,424,246,439.40	3,256,326,302.25
Less: Interest income	203,942,344.30	162,986,128.56
Less: Net exchange gains		524,979.75
Add: Net exchange losses	3,406,265.13	
Add: Handling charges	63,681,617.28	29,860,461.57
Add: Other	15,971,103.28	5,528,987.25
Total	3,303,363,080.79	3,128,204,642.76

(48) Other income

Item	Amount in current year	Amount in previous year
VAT refunds	5,291,367.10	11,725,410.56
Corporate income tax refunds	9,243,904.24	9,847,833.43
VAT exemptions	530,239.50	
Other tax refunds	117,813.87	

Wuhan Financial Holdings (Group) Co., Ltd. Notes to the financial statements for the year 2019

ltem	Amount in current year	Amount in previous year
Amount for VAT plus deduction	50,348.86	50,000.00
VAT plus deduction	1,864.75	
Changlian - tax incentives		203,039.96
Financial subsidies	31,563,591.45	
Subsidy for canteen and pork reserve costs	31,325,000.00	16,096,132.08
Special funds for software and information services in Hongshan District in 2019	5,120,004.86	6,989,032.33
Three-generation income	670,561.42	243,238.15
Post stabilization subsidy	576,300.00	365,060.80
Funds in lieu of subsidies with awards for real name system management of long distance passenger transport by Urban and Rural Construction Bureau in Economic Development Zone	200,000.00	
Financial discount	147,416.54	1,000,000.00
Subsidy for recognition of 2018 high-tech enterprises in Hongshan District, Wuhan	50,000.00	
Cultivation Enterprise Subsidies by Science and Technology Bureau	32,133.38	104,716.98
Small and micro service enterprises entering scale service enterprises in 2018		150,000.00
Subsidy fund for torch expansion foundation works		13,832,698.50
Awards for energy conservation and emission reduction		1,000,000.00
Environmental protection fund for FCC flue gas desulfurization and dust removal		4,200,000.00
Subsidy for infrastructure construction of oil upgrading phase I project		14,453,800.00
Funds in lieu of subsidies with awards for 2017 traditional business transformation and upgrading		1,970,000.00
Subsidy for infrastructure construction by Qianjiang Economic Development Zone Finance Bureau		49,189,300.00
Provincial leading enterprise loan discount project		370,000.00
Reward for A-level logistics cultivation		100,000.00
2017 Public Service Platform Construction Program - 2017 Wuhan Enterprise Research and Development Center Accreditation Project		150,000.00
Project funding of Yiling Science and Technology Bureau		340,000.00
ubsidy for adverse reaction monitoring in Jiangan District in he second half of 2018		13,960.00

	ments for the year 2015
Amount in current year	Amount in previous year
	26,000.00
	7,350,993.27
45,338.06	
84,965,884.03	139,771,216.06
	Amount in current year 45,338.06

(49) Investment income

Source of investment income	Amount in current year	Amount in previous year
Income arising from long-term equity investments under the equity method	524,117,629.23	227,189,407.7
Investment income arising from disposal of long-term equity investments	20,882,872.37	
Investment income over the period of holding financial assets measured at fair value through profit or loss	8,180,205.41	2,105,172.14
Investment income arising from disposal of financial assets measured at fair value through profit or loss	-1,431,724.57	-1,390,075.71
Investment income over the period of holding held-to-maturity investments		1,627,400.16
Investment income arising from disposal of held-to-maturity investments		
Investment income over the period of holding available-for-sale financial assets	80,685,939.26	145,998,848.74
Investment income arising from disposal of available-for-sale financial assets	17,252,500.00	30,704,433.12
Gain arising from remeasurement of equity at fair value upon acquisition of control		
iain arising from remeasurement of remaining equity at air value after loss of control		
ither	378,274,539.39	57,194,331.03
Total	1,027,961,961.09	463,429,517.19

Note: Other was mainly caused by the Company's increase in shareholding ratio of equity instrument investment in China Eastern Airlines Wuhan Co., Ltd. in 2019, and the transfer of changes in accumulated fair value originally included in other comprehensive income into the current profit or loss calculated by equity method.

(50) Income from change in fair value

Source of income from change in fair value	Amount in current year	Amount in previous year
Financial assets at fair value through profit or loss	4,088,460.61	9,108,237.17
Other	6,074,020.00	

Source of income from change in fair value	Amount in current year	Amount in previous year
Total	10,162,480.61	9,108,237.17

(51) Impairment loss of assets

Item	Amount in current year	Amount in previous year
Bad debt losses	-483,165,742.98	-427,599,243.31
Inventory depreciation losses	-1,135,808.87	-1,110,288.90
Impairment losses of held-to-maturity investments	256,251.20	160,157.00
mpairment losses of construction in progress		-147,000.00
Other	-18,695,646.40	
Total	-502,740,947.05	-428,696,375.21

Note: Other refers to impairment losses of loans.

(52) Income from disposal of assets

Item	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
Income from disposal of held-for-sale disposal groups			
Income from disposal of non-current assets	203,816,870.06	152,759,396.69	203,816,870.06
Including: Income from disposal of non-current assets classified as held-for-sale	-30,405.16		-30,405.16
Including: Income from disposal of fixed assets	-30,405.16		-30,405.16
Income from disposal of non-current assets not classified as held-for-sale	203,847,275.22	152,759,396.69	203,847,275.22
Including: Income from disposal of fixed assets	203,847,275.22	75,883,206.12	203,847,275.22
Income from disposal of intangible assets		76,876,190.57	
Total	203,816,870.06	152,759,396.69	203,816,870.06

(53) Non-operating income

ltem	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
Gains from the damage and retirement of non-current assets	194,697.92	1,256,976.50	194,697.92
Government grants unrelated to the daily	27,220,579.13	12,571,461.34	27,220,579,13

Item	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
activities of the enterprise			
Fine	7,250.00	110,688.24	7,250.00
Refunds from Tax Bureau	3,285.69	3,141.19	3,285.69
Income from liquidated damages for renting houses	925,902.90		925,902.90
Compensation income	17,179,234.93		17,179,234.93
Rent income from debt paying assets	6,814,660.90		6,814,660.90
Other	13,802,937.43	20,294,117.41	13,802,937.43
Total	66,148,548.90	34,236,384.68	66,148,548.90

Note: Other mainly included payments not required to be paid and restructuring funds received.

Details of government grants:

Item	Amount in current year	Amount in previous year
Land acquisition subsidy for oil products upgrading and deep processing series project of Development Zone Finance Bureau	8,007,800.00	
Settlement incentives	7,500,000.00	7,500,000.00
Capital subsidy for 2018 traditional industry transformation and upgrading projects	800,000.00	
Policy encashment incentives of "Small and micro service enterprises enter scale service enterprises" for service industry	50,000.00	
Financial subsidies for network fees	10,685.00	
Awards of "Small and micro service enterprises enter scale service enterprises" distributed by Municipal Bureau of Statistics		39,000.00
Large taxpayer incentives		200,000.00
Funds in lieu of subsidies with awards for technical transformation		40,000.00
Patent funding subsidies		28,560.00
Incentive allocation grant of Provincial Department of Science and Technology		40,000.00
Post stabilization subsidy		53,000.00
Refund of land tax charges received		450.30
interprise subsidies		151,100.00
ubsidy for recognition of high-tech enterprises in High-tech Zone, Donghu		10,000.00

ltem	Amount in current year	Amount in previous year
Subsidies for vehicle scrapping allocated by Department of Motor Vehicles and other units		2,214,062.75
Double-creation Policy Subsidy of Jiangan District Science and Technology Bureau 2017 Municipal Innovation Platform Jiangan District Science and Technology Bureau 2017 Municipal Innovation Platform		300,000.00
Government grants for logistics standardization		248,571.43
Changlian-Subsidies for employee training and stable employment		161,400.00
Government-to-business incentive	3,426,025.31	150,000.00
2018 Oil Producing Counties Project	107, 100-5 (197-5)	150,000.00
Municipal matching subsidies for Jiangan District Science and Technology Bureau 2017 Municipal Innovation Platform Jiangan District Science and Technology Bureau 2017 Municipal Innovation Platform		150,000.00
Central subsidy fund		100,000.00
Subsidies for enterprises in difficulty		100,000.00
Special financial subsidies and incentive funds	30,000.00	60,000.00
Enterprise incentive funds	10,000.00	50,000.00
Incentives for small and medium-sized industrial enterprises entering above-scale industrial corporations		50,000.00
Second prize of science and technology progress of Yiling District Science and Technology Bureau		20,000.00
Subsidy cost for the supply of emergency supplies reserve	13,055.20	5,833.30
Subsidies for star enterprises		3,000.00
Work injury prevention costs allocated by Administration of Work Safety	194,637.92	
Municipal famous trademark bonus received from the District Finance Bureau	97,401.60	
unds for Oil Producing County Projects	85,051.01	
settlement incentives	120,000.00	
ncentive fund for small and micro enterprises of Wuhan Jianghan District Development and Reform Commission	1,223,571.43	
ward for famous brand enterprises	1,000,000.00	
ubsidy for electric boiler	1,144,000.00	-
ost stabilization subsidy	3,119,876.80	
mortization of land transfer compensation	386,640.00	
ther	1,834.86	746,483.56

Item	Amount in current year	Amount in previous year
Total	27,220,579.13	12,571,461.34

(54) Non-operating expenses

Item	Amount in current year	Amount in previous year	Amount included in current non-recurring profit or loss
Losses on the damage and retirement of non-current assets	1,573,666.19	15,618,442.36	1,573,666.19
Debt restructuring losses		697,292.06	
Loss on external donations	2,037,577.00	119,303.00	2,037,577.00
Fine expenses, late payment fees	380,082.79	2,052,693.71	380,082.79
Damages, liquidated damages	6,181.54	4,065.46	6,181.54
Other expenses	2,262,677.09	5,259,101.24	2,262,677.09
Total	6,260,184.61	23,750,897.83	6,260,184.61

(55) Income tax expenses

1. Income tax expenses

Item	Amount in current year	Amount in previous year
Current income tax expenses	740,235,986.10	779,874,236.09
Deferred tax adjustments	-113,241,923.45	-85,840,114.64
Other	-3,088,214.35	
Total	623,905,848.30	694,034,121.45

(56) Other comprehensive income attributable to owners of the parent company

1. Details of other comprehensive income items and their income tax impacts and transfer to profit or loss

Item	Amount in current year			
	Amount before tax	Income tax	Net amount after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss				
Remeasurement of changes in net liabilities or net assets of defined benefit plans				
Shares in other comprehensive income that cannot be reclassified into profit or loss in the invested company under the equity method				
3.Other				

	THE CONTRACTOR OF THE PROPERTY.		and acordinated	for the year 201
Item			mount in current yea	
	Amount before ta	эх	Income tax	Net amount after ta
II. Other comprehensive income that will be reclassified into profit or loss	104,053,254	.89	26,013,313.73	78,039,941.1
Shares in other comprehensive income that will be reclassified into profit or loss in the invested company under the equity method	3,431,611.	28	857,902.82	2,573,708.46
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period				
Subtotal	3,431,611.2	28	857,902.82	2,573,708.46
Profit or loss from changes in the fair value of available-for-sale financial assets	125,460,884.5	0	31,365,221.13	94,095,663.37
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period				
Subtotal	125,460,884.50)	31,365,221.13	94,095,663.37
Profit or loss from reclassification of held-to-maturity investments to available-for-sale financial assets				
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period				
Subtotal				
Cash flow hedge reserve (effective portion of profit or loss on cash flow hedges)				
Adjustment amount converted into initial recognition amount of hedged item				
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period				
Subtotal				7 MARIE 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Translation difference of foreign currency financial tatements	-24,839,240.89		-6,209,810.22	-18,629,430.67
ess: Included in other comprehensive income in the revious period and transferred into profit or loss in the urrent period				
Subtotal	-24,839,240.89		-6,209,810.22	-18,629,430.67
Other				
ess: Transferred to other comprehensive income in the revious period and transferred into profit or loss in the irrent period				
Subtotal				

Item		Amount in current yes	ar
	Amount before tax	Income tax	Net amount after tax
III. Total other comprehensive income	104,053,254.88	26,013,313.72	78,039,941.1
(Continued)			
Water S	A	amount in previous yea	ır
Item	Amount before tax	Income tax	Net amount after tax
I. Other comprehensive income that cannot be reclassified into profit or loss			
Remeasurement of changes in net liabilities or net assets of defined benefit plans			
Shares in other comprehensive income that cannot be reclassified into profit or loss in the invested company under the equity method			
3.Other			
II. Other comprehensive income that will be reclassified into profit or loss	105,641,291.40	26,410,322.82	79,230,968.58
Shares in other comprehensive income that will be reclassified into profit or loss in the invested company under the equity method	146,716,000.20	36,679,000.02	110,037,000.18
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	146,716,000.20	36,679,000.02	110,037,000.18
Profit or loss from changes in the fair value of available-for-sale financial assets	-40,681,404.23	-10,170,351.06	-30,511,053.17
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	-40,681,404.23	-10,170,351.06	-30,511,053.17
3. Profit or loss from reclassification of held-to-maturity nvestments to available-for-sale financial assets			
ness: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal			
. Cash flow hedge reserve (effective portion of profit or oss on cash flow hedges)			
djustment amount converted into initial recognition mount of hedged item			
ess: Included in other comprehensive income in the revious period and transferred into profit or loss in the			

Item	A	mount in previous ye	ar
nen	Amount before tax	Income tax	Net amount after tax
current period			The state of the s
Subtotal			
5. Translation difference of foreign currency financial statements	-393,304.57	-98,326.14	-294,978.43
Less: Included in other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal	-393,304.57	-98,326.14	-294,978.43
6. Other			
Less: Transferred to other comprehensive income in the previous period and transferred into profit or loss in the current period			
Subtotal			
II. Total other comprehensive income	105,641,291.40	26,410,322.82	79,230,968.58

2. Adjustment of other comprehensive income items

Item	Closing balance of previous year	Change in the previous year	Opening balance of the year
Remeasurement of changes in defined benefit plans			
Other comprehensive income that cannot be transferred to profit or loss under the equity method			
Other comprehensive income that can be transferred to profit or loss under the equity method	-15,657,623.77	87,624,537.23	71,966,913.46
Profit or loss from changes in the fair value of available-for-sale financial assets	1,054,679,125.16	-8,098,590.22	1,046,580,534.94
Profit or loss from reclassification of held-to-maturity investments to available-for-sale financial assets			
Cash flow hedge reserve (effective portion of profit or loss on cash flow hedges)			
Franslation difference of foreign currency inancial statements	-1,839,922.77	-294,978.43	-2,134,901.20
Other			
Total	1,037,181,578.62	79,230,968.58	1,116,412,547.20

(Continued)

Item	Change in the year	Closing balance in current yea
Remeasurement of changes in defined benefit plans		
Other comprehensive income that cannot be transferred to profit or loss under the equity method		
Other comprehensive income that can be transferred to profit or loss under the equity method	2,573,708.46	74,540,621.92
Profit or loss from changes in the fair value of available-for-sale financial assets	94,095,663.37	1,140,676,198.31
Profit or loss from reclassification of held-to-maturity investments to available-for-sale financial assets		
Cash flow hedge reserve (effective portion of profit or loss on cash flow hedges)		
Translation difference of foreign currency financial statements	-18,629,430.67	-20,764,331.87
Other		
Total	78,039,941.16	1,194,452,488.36

(57) Cash flow statements

1. Supplementary information of consolidated cash flow statement

- Item	Amount in current year	Amount in previous year
Adjustment from net profits to cash flows from operating activities		
Consolidated net profits	1,758,053,083.13	1,429,344,343.4
Add: Provision for impairment of assets	502,740,947.05	428,696,375.21
Impairment loss of credit (New financial standards)		
Depreciation of fixed assets, oil and gas assets and productive biological assets	576,081,811.81	590,230,578.03
Amortization of intangible assets	41,251,761.82	29,850,662.27
Amortization of long-term prepayments	18,522,424.95	22,757,496.47
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")	-203,816,870.06	-152,759,396.69
Losses on scrap of fixed assets (gains marked with "-")	1,378,968.27	14,366,437.33
Losses on changes in fair values (gains marked with "-")	-10,162,480.61	-9,108,237.17
Financial expenses (gains marked with "-")	3,424,246,439.40	3,359,575,830.07
nvestment losses (gains marked with "-")	-1,027,961,961.09	-463,429,517.19
Decrease in deferred tax assets (increase marked with "-")	-113,840,130.31	-100,354,167.88
ncrease in deferred tax liabilities (decrease marked with "-")	27,586,801.53	14,539,090.74

Item	Amount in current year	Amount in previous year
Decrease in inventories (increase marked with "-")	1,106,917,176.07	189,498,576.26
Decrease in operating receivables (increase marked with "-")	-2,496,560,516.84	-13,181,848,334.21
Increase in operating payables (decrease marked with "-")	-1,751,053,599.16	13,374,599,931.13
Other		
Net cash flow from operating activities	1,853,383,855.96	5,545,959,667.82
Significant investing and financing activities that do not involve cash receipts and payment		
Transfer of debt to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents		
Closing balance of cash	11,398,337,611.81	8,174,949,892.60
ess: Opening balance of cash	8,174,949,892.60	5,114,950,369.26
Add: Closing balance of cash equivalents		· · · · · · · · · · · · · · · · · · ·
ess: Opening balance of cash equivalents		
et increase in cash and cash equivalents	3,223,387,719.21	3,059,999,523.34

2. Cash paid for acquisition of subsidiaries and received from disposal of subsidiaries in current year

Item	Amount in current year
 Cash and cash equivalents paid in current year arising from business combinations incurred in current year 	
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	13,880,246.09
Add: Cash and cash equivalents paid in current year arising from business combinations incurred in the previous years	
Net cash paid for acquisition of subsidiaries	-13,880,246.09
II. Cash or cash equivalents received in current year from disposal of subsidiaries in the current year	
Less: Cash and cash equivalents held by subsidiaries on the date of losing control	
Add: Cash or cash equivalents received in current year from disposal of subsidiaries in previous years	
et cash received from disposal of subsidiaries	

3. Cash and cash equivalents

Item	Closing balance	Opening balance
Cash	11,398,337,611.81	8,174,949,892.60
Including: Cash on hand	7,345,862.75	5,508,748.03
Bank deposits readily available for payment	11,296,745,552.42	7,991,366,816.10
Other cash and cash equivalents readily available for payment	94,246,196.64	178,074,328.47
Central bank deposits available for payment		
Deposits in other banks		
Interbank payments		
Cash equivalents		
ncluding: Bond investments due within 3 months		
Closing balance of cash and cash equivalents	11,398,337,611.81	8,174,949,892.60
ncluding: Restricted cash and cash equivalents used by the arent company and the subsidiaries of the Group		Double Service Consultation

(58) Foreign currency monetary items

Item	Closing balance of foreign currency	Conversion rate	Closing balance of RMB converted
Cash and cash equivalents	230,326.76	6.9762	1,606,805.55
Including: USD	230,326.76	6.9762	1,606,805.55
Accounts receivable	1,078,812.00	6.9762	7,526,008.27
Including: USD	1,078,812.00	6.9762	7,526,008.27

(59) Assets with restricted ownership

Item	Closing book value	Reasons for restriction
Cash and cash equivalents	352,804,847.89	Note 1
Notes receivable	100,000,000.00	Note 2
Accounts receivable	94,031,645.70	Note 3
Inventories	2,353,752,142.02	Note 4
Construction in progress	960,021,854.70	Note 5
Fixed assets	234,223,381.63	Note 6
ntangible assets	107,765,857.07	Note 6
nvestment properties	295,346,166.04	Note 6

Note 1: Reasons for restriction of cash and cash equivalents are indexed to note VIII. (1)

- 2. "Details of restricted cash and cash equivalents".
- Note 2: Reasons for restriction of notes receivable is the restriction formed due to the Short-term loan pledge of Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.
- Note 3: The restriction of accounts receivable is due to pledge of creditor's rights of accounts receivable of Wuhan Commercial Storage and Transportation Co., Ltd..
- Note 4: Inventories with restricted ownership and use rights are the land use right of Wuhan Changsheng Industrial Co., Ltd. located in Dingxiu Northwest Lake Plot A (WGY (2015) No. 236) and Dingxiu Northwest Lake Plot BC (JGY (2016) No. 05956, JGY (2016) No. 05957) project construction.
- Note 5: Construction in progress with restricted ownership and use rights is the real estate project of "Wuhan New Port Central China Trade Service Zone"., with the closing balance of RMB 960,021,854.70 mortgaged to Yangluo Economic Development Zone Branch of Wuhan Rural Commercial Bank.
- Note 6: Fixed assets, investment properties and intangible assets with restricted ownership and use rights are as follows:
- Land use rights and property of Wuhan Trade Group located at No. 515 Zhongshan Road, Wuchang District and 1-2F, "Dingxiu Plaza" Commercial Building at No. 36, Longyang Avenue, Hanyang District;
- (2) Houses of Wuhan Commercial Storage and Transportation Co., Ltd. located at No.99 Bai'an Highway, Jiading District, Shanghai;
- (3) Houses, building and land use rights of Wuhan By-products Commercial Reserve Co., Ltd. located at Hongwei Village, Xinhe Town, Hanchuan City as a collateral (Real Estate Right Certificate No.: E (2017) Hanchuan Real Estate Right No. 0001135):
- (4) Fuxing Village Warehouse, Building 6 at Baocheng Road, and properties Nos. 1-3, 5-8, 20 and 30, 18F Building A2, Wanda Plaza, Linjiao Lake, Jianghan District belonging to Wuhan Friendship Commercial Co., Ltd.
- (5) Houses and buildings with the closing balance and book value of RMB 21,685,066.75 and RMB 14,082,892.49 respectively in fixed assets of Wuhan Changlian Laifu Pharmaceutical Limited Liability Company as the loan collateral for Shanghai Pudong Development Bank Co. Ltd. Wuhan Branch, with the title deed Nos. of WFQZAZ No. 2012003664, WFQZAZ No. 2012003665, WFQZAZ No. 2012003675, WFQZAZ No. 2012003679, WFQZAZ No. 2012003676, WFQZAZ No. 2012003677, WFQZAZ No. 2012003678, WFQZAZ No. 2012003666, WFQZAZ No. 2012003667 WFQZAZ No. 2012003672, WFQZAZ No. 2012003673, WFQZAZ No. 2012003674, WFQZAZ No. 2012003681, WFQZAZ No. 2012003682, WFQZAZ No. 2012003683, WFQZAZ No. 2012003684, WFQZAZ No. 2012003685, WFQZAZ No. 2012003686, WFQZAZ No. 2012003687 and WFQZAZ No. 2012003688.
- (6) Shayang Tianyi Pharmaceutical Co. Ltd. had land with Land Certificate No. of EZSGY (2007) No. 32 and STGY (2008) No. 03021000183 provided by the government at the end of the period for free, with an estimated value of RMB 4,115,135.00 and a book value of RMB 3,033,593.13, which was the company's loan collateral for Bank of China Wuhan Jianghan Sub-branch and due in January 2018. The mortgage has not been released as of December 31st, 2018. In addition, the closing balance was RMB 20,751,248.63 and the book value was RMB 15,333,733.65. Land Use Certificate No. is AGY (2012) No. 124, and the land use right is used as a loan collateral for Shanghai Pudong Development Bank Co. Ltd. Wuhan Branch.

IX. Contingencies

(1) The Group's guarantees for the Other unit as of December 31st, 2019

Guarantee unit	Guaranteed units	Nature of guaranteed units	Total amount guaranteed	Overdue amount	Status of guaranteed units
I. Intra-group guarantees					
Wuhan Development & Investment Co., Ltd.	Wuhan Financial Holdings (Group) Co., Ltd.	Wholly state-owned company	1,096,000,000.00		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd., Wuhan Credit Risk Management Financing Guarantee Co., Ltd. Wuhan Development & Investment Co., Ltd.		Wholly state-owned company	300,000,000.00		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd. Wuhan Development & Investment Co., Ltd.		Wholly state-owned company	5,345,800,000.00		Normal operation
Wuhan Credit Investment Group Co., Ltd., Wuhan Credit Guarantee (Group) Co., Ltd. Wuhan Credit Risk Management Financing Guarantee Co., Ltd.		Limited liability company	386,000,000.00		Normal operation
Wuhan Financial Holdings (Group) Co., Ltd. Wuhan Credit Risk Management Financing Guarantee Co., Ltd.		Wholly state-owned company	12,928,400,000.00		Normal operation
II. Guarantee outside the group					
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Airport Economic Development Zone Industrial Development Investment Group Limited	Wholly state-owned company	3,400,000,000.00		Normal operation

- (2) Pending litigation, arbitration formation of the Group as of December 31st, 2019 The litigation of the Group's subsidiaries is as follows.
- 1. Wuhan Hengtong Weibang Trade Development Co., Ltd.

In April 2014, Development & Investment Company, the Group's second-tier company, provided a shareholder loan of RMB 35 million to Wuhan Hengtong Weibang Trade Development Co., Ltd. (Hereinafter referred to as "Hengtong Weibang Company"), with a term of 3 months and a monthly interest rate of 2%. Zhu Qilin, Yu Hui and Zhao Dabin were guarantors. After maturity, Hengtong Weibang Company repaid RMB 25 million and some interest, and still owed RMB 10 million of principal and interest. On June 24th, 2015, according to the provisions of the loan contract for arbitration, Development & Investment Company filed Hengtong Weibang Company, Zhu Qilin, Yu Hui and Zhao Dabin to Wuhan Arbitration Commission for arbitration. In November 2015, Wuhan Arbitration Commission issued an award (2015 WZCZ No. 0001036), ruling that Development & Investment Company won the lawsuit, and then Development & Investment Company applied to the Jianghan District Court for enforcement. In the course of enforcement, the executor Yu Hui filed an enforcement objection to the enforcement court, the Jianghan District Court, which ruled in May 2019 that the arbitration award was not enforced. Therefore, in July 2019, Development

& Investment Company sued the debtor, Hengtong Weibang Company, and the guarantors, Zhu Qilin, Yu Hui, and Zhao Dabin to Jianghan District Court. The case is currently in the first instance.

2. Wu Qing

In February 2014, Wuhan Credit Microloan Co., Ltd. (Hereinafter referred to as "Wuhan Credit Microloan Company"), the Group's fourth-tier company, provided a loan of RMB 200 million to Wu Qing, with a term of 48 months, from February 21st, 2014 to February 20th, 2018. After the maturity of the loan, Wu Qing failed to repay the loan on schedule, so Wuhan Credit Microloan Company filed a lawsuit against him. Wuhan Jiang'an District People's Court has accepted the case, which is currently in the first instance.

3. Wuhan Tianli Daoguan Water Supply Co., Ltd.

In February 2014, Wuhan Credit Microloan Company provided a loan of RMB 500 million to Wuhan Tianli Daoguan Water Supply Co., Ltd., with a term of 3 months, from December 19th, 2014 to March 19th, 2015. After the maturity of the loan, Wuhan Tianli Daoguan Water Supply Co., Ltd. failed to repay the loan on schedule, so Wuhan Credit Microloan Company filed a lawsuit against him. Wuhan Jiang'an District People's Court has accepted the case, which is currently in the first instance.

4. Hubei Zhenlin Construction and Installation Engineering Co., Ltd.

In March 2016, Wuhan Credit Microloan Company provided a loan of RMB 500 million to Hubei Zhenlin Construction and Installation Engineering Co., Ltd., with a term of 6 months, from March 9th, 2016 to September 9th, 2016. After the maturity of the loan, Hubei Zhenlin Construction and Installation Engineering Co., Ltd. failed to repay the loan on schedule, so Wuhan Credit Microloan Company filed a lawsuit against him. Wuhan Jiang'an District People's Court has accepted the case, which is currently in the first instance.

5. Objection to the enforcement of Wuhan Xin Angel Trading Co., Ltd.

In the case of loan contract dispute between Wuhan Credit Microloan Company and Wuhan Xin Angel Trading Co., Ltd., Wuhan Credit Microloan Company applied to the People's Court for property preservation of the property of Wuhan Xin Angel Trading Co., Ltd. located in Poly Champagne International, Hanxi New Village, Hanjiadun Street, Qiaokou District. Wuhan Credit Microloan Company has obtained the *Civil Mediation Letter of Wuhan Jiang'an District People's Court, Hubei Province* [(2016) E0102 No.3276-3280, (2018) E0102 No.3812-3813] and the case has entered the enforcement stage. In the enforcement stage, Yin Yaping, an outsider in the case, filed an objection to the Wuhan Jiang'an District People's Court, claiming that she was the owner of the above-mentioned property and asked the court to lift the seizure of the above-mentioned property. The People's Court of Jiangan District, Wuhan City, issued the (2019) E0102 ZY370 Enforcement Ruling, ruling to suspend the enforcement of the above-mentioned property. Wuhan Credit Microloan Company refused to accept the ruling and filed a lawsuit of objection to enforcement to the People's Court of Jiang'an District, Wuhan city. At present, the case of objection to enforcement is in the first instance.

6. Objection to the enforcement of Yichang Jianfeng Real Estate Co., Ltd.

In the case of loan contract dispute between Wuhan Credit Microloan Company and Yichang Jianfeng Real Estate Co., Ltd., Wuhan Credit Microloan Company applied to the People's Court for property preservation of the property of Yichang Jianfeng Real Estate Co., Ltd. located in No. 195-2, Juting Avenue, Yichang City. Wuhan Credit Microloan Company has obtained the Civil Judgement of Wuhan Jiang'an District People's Court, Hubei Province [(2016) EJAMSCZ No. 01607-01614] and the case has entered the enforcement stage. In the

enforcement stage, Wang Jianping, an outsider in the case, filed an objection to the Wuhan Jiang'an District People's Court, claiming that he was the owner of the above-mentioned property and asked the court to lift the seizure of the above-mentioned property. The Wuhan Jiang'an District People's Court is examining the objection to the enforcement put forward by Wang Jianping.

7. Wuhan Yuze Real Estate Development Co., Ltd.

In February 2015, Wuhan Credit Microloan Company provided a loan credit line of RMB 400 million to Wuhan Yuze Real Estate Development Co., Ltd. for a period of 36 months from February 3rd, 2015 to February 3rd, 2018. Wuhan Yinghua Real Estate Co., Ltd. provided the maximum mortgage guarantee for Wuhan Yuze Real Estate Development Co., Ltd. with its land use right located in Yedian Village, Panlongcheng Economic Development Zone, Huangpi District, and has gone through mortgage registration. In August 2019, Wuhan Yinghua Real Estate Co., Ltd. held that the above loan credit line has been settled, and filed a lawsuit against Wuhan Credit Microloan Company in Wuhan Jiang'an District People's Court, demanding cancellation of mortgage registration, and requiring Wuhan Credit Microloan Company to pay liquidated damages of RMB 12.5 million. The case is currently in the first instance.

8. Dong Weihua

In November 2016, Wuhan Venture Finance Guarantee Co., Ltd. (Hereinafter referred to as "Wuhan Venture Guarantee Company"), provided a guarantee for the loan of RMB 0.2 million applied by the debtor Dong Weihua from Bank of Communications Jianghan Sub-branch and born joint and several guarantee liabilities. The term of the loan was 2 years, from December 27th, 2016 to December 27th, 2018. After the maturity of the loan, the debtor failed to repay the principal and interest on schedule, and Wuhan Venture Guarantee Company paid the debts of RMB 196600 on behalf of the debtor in accordance with the agreement. Wuhan Venture Guarantee Company filed a lawsuit against the debtor. Wuhan Jiang'an District People's Court has accepted the case in December 2019, which is currently in the first instance.

9. Li Wei

In May 2017, Wuhan Venture Guarantee Company provided a guarantee for the loan of RMB 0.2 million applied by the debtor Li Wei from Hankou Bank Qingshan Sub-branch and born joint and several guarantee liabilities. The term of the loan was 2 years, from June 14th, 2017 to June 14th, 2019. After the maturity of the loan, the debtor failed to repay the principal and interest on schedule, so Wuhan Venture Guarantee Company filed a lawsuit against the debtor. Wuhan Jiang'an District People's Court has accepted the case in December 2019, which is currently in the first instance.

10. Qiao Song, Qiao Jia

In May 2017, Wuhan Jiantou Technology Microloan Co., Ltd. (Hereinafter referred to as "Jiantou Microloan Company"), the Group's fourth-tier company, provided a loan of RMB 0.6 million to Qiao Jia, with a term of 3 months, from December 16th, 2014 to February 15th, 2015. After the maturity of the loan, Qiao Jia failed to repay the loan on schedule, so Jiantou Microloan Company filed a lawsuit against Qiao Jia. In November 2015, Jiantou Microloan Company received the *Civil Judgment of the People's Court of Donghu New Technology Development Zone in Wuhan City, Hubei Province* [(2015) EWDKMECZ No. 00325], which ruled Qiao Jia to repay the loan principal of RMB 0.6 million and pay interest and penalty interest. Qiao Jia refused to accept the judgment and applied for retrial. At present, the case is in the process of retrial.

In December 2014, Jiantou Microloan Company provided a loan of RMB 1.4 million to

Qiao Jia, with a term of 3 months, from December 16th, 2014 to February 15th, 2015. After the maturity of the loan, Qiao Jia failed to repay the loan on schedule, so Jiantou Microloan Company filed a lawsuit against Qiao Jia. In November 2015, Jiantou Microloan Company received the *Civil Judgment of the People's Court of Donghu New Technology Development Zone in Wuhan City, Hubei Province* [(2015) EWDKMECZ No. 00326], which ruled Qiao Jia to repay the loan principal of RMB 1.4 million and pay interest and penalty interest. Qiao Jia refused to accept the judgment and applied for retrial. At present, the case is in the process of retrial.

In December 2014, Jiantou Microloan Company provided a loan of RMB 5 million to Qiao Song, with a term of 3 months, from December 16th, 2014 to February 15th, 2015. After the maturity of the loan, Qiao Song failed to repay the loan on schedule, so Jiantou Microloan Company filed a lawsuit against Qiao Song. In November 2015, Jiantou Microloan Company received the *Civil Judgment of the People's Court of Donghu New Technology Development Zone in Wuhan City, Hubei Province* [(2015) EWDKMECZ No. 00324], which ruled Qiao Song to repay the loan principal of RMB 5 million and pay interest and penalty interest. Qiao Song refused to accept the judgment and applied for retrial. At present, the case is in the process of retrial.

11. Hubei Jianglong Tourism Development Co., Ltd.

In January 2014, Wuhan Yufa Pawnshop Co., Ltd. (hereinafter referred to as "Yufa Pawnshop") issued a loan of RMB 30 million to Hubei Jianglong Tourism Development Co., Ltd. (hereinafter referred to as "Jianglong Tourism Company") through Central China Leasing, with an annual interest rate of 15% and a loan term of 1 year, guaranteed by Liu Yushan and Jingshan Tanlong Stone. As of October 2015, when Yufa Pawnshop filed property preservation and litigation, Jianglong Tourism Company had returned RMB 2.25 million of interest. In July 2016, Wuhan Intermediate People's Court issued a Civil Judgment (2016) E01MC No. 359: (1) it confirmed that Jianglong Tourism Company owed RMB 30 million of principal, and the interest was calculated by 20% annually until the date of settlement; (2) Tanlong Stone and Liu Yushan were jointly and severally liable for this; (3) the litigation costs, preservation fees and announcement fees were borne by the defendant.

The case was handed over to Jiang'an District Court for execution. Since Zhongxiang Municipal Bureau of Land and Resources and Zhongxiang City Real Estate Bureau issued a letter and warrant for the transfer of assets to a third party in the disposal process of Yufa Pawnshop's seized assets, an administrative lawsuit has been filed against the acts of Zhongxiang Municipal Bureau of Land and Resources and Zhongxiang City Real Estate Bureau in the middle of 2019, which is now in the trial stage of administrative litigation.

12. Hubei Ruiyang Investment Co., Ltd.

In October 2016, Hubei Ruiyang Investment Co., Ltd. (hereinafter referred to as "Hubei Ruiyang Company") borrowed RMB 9.336 million from Yufa Pawnshop by means of equity pledge. As of 2019, the borrower failed to repay the principal and interest as agreed. Yufa Pawnshop submitted a petition and preservation application to Jianghan Court on July 4th, 2019, and sealed up three sets of properties of Li Qiying and Xu Xiyi located in Baoan Garden in Wuchang District, Jindi Green Town in Hongshan District and Hongjing Garden in Donghu Technology Development Zone. The case was adjudicated on December 26th, 2019, and the judgment contents of (2019) E0103MC No. 7006 are as follows: (1) Hubei Ruiyang Company returned the principal of RMB 9.336 million to Yufa Pawnshop, and the interest was calculated by 24% annually from October 19th, 2016 to the date of settlement; (2) Yufa Pawnshop had priority to be compensated for the equity change amount of Hubei Ruiyang Company; (3) Hubei Ruiyang Company undertook the lawyer's fee of RMB 70,000; (4) Beijing Huayan, Li Qiying, Xu Feng and Xu Xiyi bore joint and several liability for the loan of Hubei

Ruiyang Company; (5) Hubei Ruiyang Company and others bore RMB 90,000 of litigation costs, and Yufa Pawnshop bore RMB 24,400.

Hubei Ruiyang Company filed an appeal and is now in the appeal stage.

13. Beijing Huayan Cultural Investment Co., Ltd.

In October 2016, Beijing Huayan Cultural Investment Co., Ltd. (hereinafter referred to as "Beijing Huayan Company") borrowed RMB 4 million from Yufa Pawnshop by means of movable property pledge. As of 2019, the borrower failed to repay the principal and interest as agreed. Yufa Pawnshop submitted a petition and preservation application to Jianghan Court on July 4th, 2019, and seized three sets of properties of Li Qiying and Xu Xiyi located in Baoan Garden in Wuchang District, Jindi Green Town in Hongshan District and Hongjing Garden in Donghu Technology Development Zone. The case was adjudicated on December 26th, 2019, and the judgment contents of (2019) E0103MC No. 7004 are as follows: (1) Beijing Huayan Company returned the principal of RMB 4 million to Yufa Pawnshop, and the interest was calculated by 24% annually from October 19th, 2016 to the date of settlement; (2) Yufa Pawnshop had priority to be compensated for pledged painting and calligraphy; (3) Beijing Huayan Company undertook the lawyer's fee of RMB 3,000; (4) Li Qiying, Xu Feng and Xu Xiyi bore joint and several liability; (5) Yufa Pawnshop bore RMB 15,900 of litigation costs, and Beijing Huayan Company and others bore RMB 45,000.

Beijing Huayan Company filed an appeal and is now in the appeal stage.

14. Li Qiying

In December 2018, Li Qiying borrowed RMB 2.71 million from Yufa Pawnshop with a set of real estate mortgage guarantee located in Bao'an Garden, Wuchang District, and Xu Feng provided joint and several liability guarantees.

As of 2019, the borrower failed to repay the principal and interest as agreed. Yufa Pawnshop submitted a petition and preservation application to Jianghan Court on July 4th, 2019, and seized three sets of properties of Li Qiying and Xu Xiyi located in Baoan Garden in Wuchang District, Jindi Green Town in Hongshan District and Hongjing Garden in Donghu Technology Development Zone. The case was adjudicated on December 26th, 2019, and the judgment contents of (2019) E0103MC No. 7007 are as follows: in view of the fact that this case was interest to principal, this case claimed to be consolidated in the other two cases, and the interest rate of the other two cases was adjusted to 24% per year from the date of borrowing. The case is at the appeal stage.

15. Li Bin

On November 10th, 2013, the borrower Li Bin signed a loan contract of RMB 5 million with Tianhua Microloan Company, the Group's third-tier company. The loan period is from November 11th, 2013 to December 10th, 2013, and the monthly interest rate is 1.86%. After the expiration of the contract, the borrower has not paid the principal and interest of the loan. Tianhua Microloan Company entrusted Shanghai Boss & Young Attorneys-at-law to bring a lawsuit to the People's Court of Qiaokou District, Wuhan, demanding the borrower to repay the principal and corresponding interest according to the contract. During the first instance of the case, one of the defendants (Ding Chigong, the guarantor of the case) asked for the identification of the signature and fingerprint on the guarantee contract, but the court of first instance did not agree. After trial, the court of first instance ruled that Tianhua Microloan Company won the case, but the defendant refused to accept the case and filed an appeal. The court of second instance remanded the case to retrial. At present, the case has entered the first instance stage of remand, and it is ready to submit the application for appraisal made by the guarantor to the relevant departments for appraisal. The case is still in the process of trial.

16. Li Yun, Sun Zhiyu

On May 5th, 2015, the borrowers Li Yun and Sun Zhiyu signed a loan contract of RMB 600,000 with Tianhua Microloan Company. The loan period is 6 months, the monthly interest rate is 1.78%, and the overdue interest rate is 3.56%. Tianhua Microloan Company signed a mortgage contract with Zhou Wangxian and Li Binglin (parents of Li Jun). The real estate of Li Binglin located in Room 1, Floor 3, Unit 1, Building 3, Shangri Jiayuan Qingchun Meilu Phase I, Jiangan district was used to provide mortgage guarantee for the above loan principal and interest expenses, and the mortgage registration [WFTZSZ No.2015006196] was completed. After the expiration of the loan, the borrower failed to repay the loan in full and on time. On December 28th, 2017, Tianhua Microloan Company signed the Loan Extension Agreement with the borrowers, and agreed to extend the repayment period of the outstanding loan of RMB 540,000 to May 5th, 2018. The mortgagor Li Binglin died in April 2017, and the mortgagor Zhou Wangxian (Li Binglin's wife) agreed to continue to provide mortgage guarantee for the above-mentioned house. After the loan matured again, Tianhua Microloan Company repeatedly urged, but the borrowers have not been able to repay. On December 31st, 2019, Tianhua Microloan Company announced to Sun Zhiyu and Li Jian through the Announcement of the People's Court, and served copies of indictment, notification of parties' rights and obligations, notice of burden of proof, risk notice, notice of members of collegial panel and court summons. The case is still in the process of trial.

17. Dalian Friendship Group Co., Ltd.

Dalian Friendship Group Co., Ltd. (hereinafter referred to as "Friendship Group") was originally the controlling shareholder of Dalian Friendship (Group) Co., Ltd. (hereinafter referred to as "Dalian Friendship"). In May 2016, Friendship Group signed an agreement with Wuhan Credit Investment Group Co., Ltd. (hereinafter referred to as "Wuhan Credit Investment Group") and Wuhan Kaisheng Economic and Trade Development Co., Ltd. (hereinafter referred to as "Kaisheng Economic and Trade). Friendship Group transferred the 28.06% share agreement of Dalian Friendship to Wuxin Investment Holdings (Shenzhen) Co., Ltd., a subsidiary of Kaisheng Economic and Trade and Wuhan Credit Investment Group. In 2019, Friendship Group filed a lawsuit against Kaisheng Economic and Trade and Wuhan Credit Investment Group, and listed Wuxin Investment Holdings (Shenzhen) Co., Ltd. and Dalian Friendship as the third party, requiring them to pay a total consideration of RMB 1,136,095,733.26 for the share transfer transactions and pay the overdue fine during the period of delayed performance of obligations. Wuhan Credit Investment Group has received the summons ([2019] L02MC No. 949) and indictment from Dalian Intermediate People's Court and other materials, and is waiting for the court session.

Apart from the above contingencies, the Group had no other significant contingencies as of December 31^{st} , 2019.

X. Events after the balance sheet date

(1) Wuhan Credit Risk Management Financing Guarantee Co., Ltd. (hereinafter referred to as "Wuhan Credit Risk Company"), a third-tier company of the Group, was transferred 90% equity of Wuhan Financial Leasing Co., Ltd.

On December 30th, 2019, Wuhan Yaotian Trading Co., Ltd., Xiangyang Jiefeida Electronic Co., Ltd. (hereinafter referred to as "the former shareholder") signed an equity transfer agreement with Wuhan Credit Risk Company to transfer 90% of the equity of Wuhan Financial Leasing Co., Ltd. (formerly known as Hubei Huakang Yuanda Finance Leasing Co., Ltd.) to Wuhan Credit Risk Company, including the transaction price of the portion of the equity contributed by the former shareholder of RMB 138,198,540.00, and the unpaid contribution of RMB 150,000,000.00 fully paid by Wuhan Credit Risk Company after completing the equity transfer. Wuhan Credit Risk Company paid consideration to the former

shareholders of RMB 138,198,540.00 on January 6th, 2020, and made a full contribution of RMB 150,000,000.00 on January 7th, 2020, and completed the transfer procedures.

- (2) On January 7th, 2020, Wuhan Credit Investment Group Co., Ltd. (hereinafter referred to as " Wuhan Credit Investment Group "), a fourth-tier company of the Group, signed an agreement with the partner: exempting the interest of the partner company from 2017 to 2018, and making up the capital occupation fee for the partner. In this matter, the retained earnings of Wuhan Credit Investment Group at the beginning of the year was reduced by RMB 166,153,843.36, the accounts receivable was reduced by RMB 146,880,000.00, the other payables were increased by RMB 69,304,109.59, and the tax payable was reduced by RMB 50,030,266.23. The retained earnings affecting the Group's consolidated statements decreased by RMB 41,538,460.84 at the beginning of in current year compared with that at the end of previous year, and minority interests decreased by RMB 124,615,382.52.
- (3) On January 8th, 2020, the Development & Investment Company, the Group's second-tier company, signed the Share Transfer Agreement of Dalian Friendship (Group) Co., Ltd. with Wuxin Investment Holdings (Shenzhen) Co., Ltd. Wuxin Investment Holdings (Shenzhen) Co., Ltd. transferred its 100,000,000 shares of Dalian Friendship (28.06% of the total shares) to the company at the price of 3.60 yuan / share, with a total transfer price of RMB 360,000,000.000.
- (4) On March 6th, 2020, the Company publicly issued 2020 corporate bonds (phase I) (Epidemic Prevention and Control Bonds). The issuance of the bonds adopted a dual type mutual allocation mechanism. The first type is ordinary 10-year period, and the second is 5 + 5 period. The final result is that the issue size of ordinary 10-year period is RMB 600 million with a coupon rate of 5.19%; the 5 + 5 maturity is RMB 400 million with a coupon rate of 3.94%. Part of the funds raised in this bond will be used for the Group's epidemic prevention and control work, providing solid financial support for winning the novel coronavirus epidemic.
- (5) The Group's second-tier company, Development & Investment Company, increased its capital by RMB 1.9 billion to the Group's third-tier company, Wuhan Credit Risk Company.

On April 1st, 2020, according to the resolution of the 1st Interim Shareholders' Meeting of 2020 of Wuhan Credit Risk Management Financing Guarantee Co., Ltd., Development & Investment Company increased its capital by RMB 1.9 billion in monetary funds to Wuhan Credit Risk Management Financing Guarantee Co., Ltd., which had verified by Capital Verification Report DXYZ [2020] No. 20-00001 issued by WUYIGE Certified Public Accountants LLP. Capital Verification Report Examination. After the capital increase, the registered capital of Wuhan Credit Risk Management Financing Guarantee Co., Ltd. was RMB 10 billion and paid-in capital was RMB 10 billion.

- (6) On April 27th, 2020, the Development & Investment Company, the Group's second-tier company, issued corporate bonds (phase I) to professional investors through Shanghai Stock Exchange. The issuance size of this period was RMB 1.44 billion, and the bond period was 5 years. At the end of the third year of the term, the issuer's option to adjust the coupon rate and the investor's call option was provided, which will be used to repay interest bearing liabilities. Coupon rate was 5.1%
- (7) On May 10th, 2020, Wuhan Wanli Certified Public Accountants Co., Ltd. issued an auditor's report named as WWLSZ (2020) No.A248 to associates of Wuxin Investment Group, a subsidiary of Development & Investment Company (the Group's second-tier company), and Development & Investment Company adjusted its equity method accounting accordingly. Due to the existence of adjustment to opening amount in the 2019 audited financial statements of the associates, the retained earnings at the beginning of the year was reduced by RMB 639,985,122.48 and the long-term equity investment was reduced by RMB

639,985,122.48 under equity method accounting. The retained earnings affecting the Group's consolidated statements decreased by RMB 159,996,280.62 at the beginning of in current year compared with that at the end of previous year, and minority interests decreased by RMB 479,988,841.86.

(8) On May 29th, 2020, Dalian Friendship signed the Equity and Creditor's Rights Transfer Agreement with Wuxin Investment Group, a subsidiary of Development & Investment Company (the Group's second-tier company). According to the agreement, Dalian Friendship transferred the equity of Dalian Shengfa Real Estate Co., Ltd., Handan Faxing Real Estate Development Co., Ltd. and Shenyang Xingshi Real Estate Development Co., Ltd., as well as the creditor's rights of the above three companies to Wuxin Investment Group with the transaction consideration of RMB 147,804.06.

XI. Related party relationships and their transactions

- (1) Related party relationships
- 1. Controlling shareholders and ultimate controlling parties

The controlling shareholder and ultimate controlling party of the Company are State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government.

2. Subsidiaries

Name of subsidiaries	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)
Wuhan Development & Wuhan Investment Co., Ltd.		Investment and development	3,000,000,000.00	100.00	100.00
Wuhan Traffic Construction Investment Co., Ltd. Wuhan		Construction of transportation infrastructure projects, operation and management	353,000,000.00	100.00	100.00
Wuhan Industry Investment Co., Ltd.	Wuhan	Investment and development	379,198,107.00	100.00	100.00
Wuhan Construction Investment Co., Ltd.	Wuhan	Local construction investment and development	220,000,000.00	100.00	100.00
Wuhan Yangtze River Economy United Development Co., Ltd.	Wuhan	Investment, development	408,858,118.00	96.28	96.28
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Wuhan	Investment and development of the grain logistics industry	331,000,000.00	100.00	100.00
Wuhan Yangluo Development Co., Ltd.	Wuhan	Investment in development zone construction	465,000,000.00	100.00	100.00
Wuhan Financial Assets Exchange Co., Ltd.	Wuhan	Financial assets transaction and consultation	120,000,000.00	75.00	75.00
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	Wuhan	Supply chain management	700,000,000.00	100.00	100.00
Vuhan Yangtze Financial ervices Co., Ltd.	wunan	Financial information data processing services; financial software technology	300,000,000.00	80.00	80.00

Name of subsidiaries	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting
		development, ect.			
Wuhan Rongwei Escort Security Service Co., Ltd.	Wuhan	Provide escorts and vault guarding services of cash, securities, gold, silver, jewelry and other valuables for financial institutions	100,000,000.00	100.00	100.0
Hubei Financial Leasing Co., Wuhan		Capital leasing business; transfer and assignment of financial leasing assets; interbank lending; borrowing from financial institutions; overseas borrowing; sale and disposal of leased property, etc.	3,000,000,000.00	49.00	49.00
Jinao Guoyuan (Wuhan) Petrochemical Co., Ltd.	Wuhan	Wholesale and retail of petroleum products, technology development, technology transfer	50,000,000.00	33.00	100.00
Guotong Trust Co., Ltd. Wuhan		Fund trust; movable property trust; real estate trust; securities trust; other property or property right trust	3,200,000,000.00	67.51	67.51
Wuhan International Exchange Service Centre Wuhan (consolidated)		Air passenger and freight sales agency business; education, culture and economic advisory services	6,000,000.00	100.00	100.00
Nuhan Yangluo Port Services Co., Ltd.		Cargo handling, loading and unloading services, cargo stowage information consulting services, warehousing services	70,000,000.00	60.00	60.00
Vuhan Yangtze Asset flanagement Co., Ltd.	Wuhan	Acquisition, management and disposal of assets	144,200,000.00	100.00	
/uhan Trade State-owned olding Group Co., Ltd.	Wuhan	Management and investment of state-owned assets	670,000,000.00	51.00	51.00

Joint ventures and associates

For details of joint ventures and associates of the Group, see Note VIII (12) Information related to disclosure of long-term equity investments.

Other related parties

	Type of relationship	Name of related party	Main transaction content
(1) the ultin	Other enterprises controlled by same controlling shareholder and nate controlling party		
(2)	Jointly-controlled investors		
(3)	Investors with significant impact	Wuhan Rural Commercial Bank Co., Ltd.	

Type of relationship	Name of related party	Main transactio content
	Jointown Pharmaceutical Group Co., Ltd.	
(4) Other related parties	Dalian Friendship (Group) Co., Ltd.	Related transaction
	Wuxin Investment Holdings (Shenzhen) Co., Ltd.	Related transactio
	Wuhan Credit Real Estate Co., Ltd.	Related transactio
	Wuxin Industrial Development (Shenzhen) Co., Ltd.	Related transaction
	Wuhan Wuxin Tianyu Information Industry Co., Ltd.	Related transaction
	Shenzhen Wuxin Innovation Equity Investment Fund Management Co., Ltd.	d Related transaction
	Wuhan High-tech Thermal Power Co., Ltd.	Related transaction
	Wuhan Guofa Investment Management Group Corporation	Related transaction
	Wuhan Yijing Jiangnan Real Estate Co., Ltd.	Related transaction
	Wuhan Hengtong Weibang Trade Development Co., Ltd.	Related transaction
4.5. = 1174	Hubei Fengjiashan Silicon Fiber Co., Ltd.	Related transaction
	Huangshi Decheng Industry Group Co., Ltd.	Related transaction
	Wuhan Cultural Products Development Co., Ltd.	Fund lending
	Wuhan Diansheng Real Estate Development Co., Ltd.	Fund lending
	Hubei Diantong Investment Co., Ltd.	Related transaction
	Jilin Hongcheng Automobile Sales Co., Ltd.	Related transaction
	Jilin Xinhongcheng Logistics Co., Ltd.	Related transaction
	Tianjin Port Free Trade Zone Musen Logistics Co., Ltd.	Related transaction
	Wuhan Haisheng Decoration Design Engineering Co., Ltd.	Related transaction
	Wuhan Laosanji Economic and Technological Development Co., Ltd.	Related transaction
	Wuhan Cold Storage Logistics Management Co., Ltd.	Related transaction
	Wuhan AYD Furniture Street Co., Ltd.	Related transaction
	Wuhan Hailian Industry Co., Ltd.	Related transaction
	Wuhan Minzhong Investment Co., Ltd.	Related transaction
	Wuhan Zhongnan Kitchenware Co., Ltd.	Related transaction
	Wuhan Xuanding Construction Industrial Investment Co., Ltd.	Related transaction
	Wuhan Sun Property Development Co., Ltd.	Related transaction
	Chongqing Agricultural Investment Logistics Development	Related transaction

Type of relationship	Name of related party	Main transaction content
	Co., Ltd.	
	Hubei Jiupai Venture Capital Co., Ltd.	Related transaction
	Kunming Wanton Cold Storage and Logistics Co., Ltd.	Related transaction
	Wuhan Lean Glasses Co., Ltd.	Related transaction
	Huang Jingui	Related transaction
	Guo Yan	Related transaction
	Zhang Guoli	Related transaction
	Zeng min	Related transaction
	Xiao Jianbin	Related transaction
	Yin Gangjian	Related transaction

(2) Related transaction

1. Sale of goods, provision of services

Name and type of related party	2019		2018	
	Amount	Ratio (%)	Amount	Ratio (%)
Joint ventures and associates	7,462,006.48	0.02	8,193,521.22	0.02
Including: Wuhan Jundian Real Estate Co., Ltd.	57,547.17	0.01	68,443.81	0.01
Wuhan Chengtong Logistics Co., Ltd.	513,207.55	0.01	246,580.19	0.01
Wuhan Shaou Food Marketing Co., Ltd.	6,891,251.76	0.01	7,878,497.22	0.02
Other related parties			64,496.86	
ncluding: Wuhan Lean Glasses Co., Ltd.			64,496.86	
Total	7,462,006.48	0.05	8,258,018.08	0.06

2. Purchase of goods, acceptance of services

Name and type of related party	2019		2018	
	Amount	Ratio (%)	Amount	Ratio (%)
Other related parties	48,207,305.53	0.12		
Including: Wuhan Diansheng Real Estate Development Co., Ltd.	48,207,305.53	0.12		
Total	48,207,305.53	0.12		

3. Related guarantees

See IX Contingencies for related guarantees for the year of the Group.

(3) Related-party balances

1. Receivables from related parties

Name and top of the	December 31 st , 2019		December 31 st , 2018	
Name and type of related party	Closing balance	Provision for bad debts	Opening balance	Provision for bad debts
Joint ventures and associates	111,999,998.00		102,999,999.00	
Wuhan Economic and Technological Development Zone Gongtou Zhizheng Microloan Co., Ltd.	25,000,000.00		25,000,000.00	
Wuhan Gongtou Asset Management Co., Ltd.	50,000,000.00		50,000,000.00	
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	36,999,998.00		27,999,999.00	
Total	111,999,998.00		102,999,999.00	

2. Other receivables from related parties

*** UCCOSCO LINE DATAMAN AND AND AND AND AND AND AND AND AND A	December	31*, 2019	December 3	31 st , 2018
Name and type of related party	Closing balance	Provision for bad debts	Opening balance	Provision for bac debts
Joint ventures and associates	459,735,739.32		157,986,543.24	
Including: Wuhan Jundian Real Estate Co., Ltd.	3,893,535.62		5,986,543.24	
Wuhan Shaou Food Marketing Co., Ltd.			7,000,000.00	
Kunming Baoxiang Wanton Cold Storage and Logistics Co., Ltd.	420,425,679.16		120,000,000.00	
Wuhan Chengtong Logistics Co., Ltd.	35,416,524.54		25,000,000.00	
Other related parties	3,860,232,285.89	327,178,773.71	419,081,239.68	
Including: Dalian Friendship (Group) Co., Ltd.	1,622,116,392.42			
Wuxin Investment Holdings (Shenzhen) Co., Ltd.	1,768,915,087.02	327,178,773.71	70,433.23	
Wuxin Industrial Development (Shenzhen) Co., Ltd.	372,000,000.00		372,000,000.00	
Nuhan Tianyu Information ndustry Co., Ltd.	50,000,000.00			
thenzhen Wuxin Innovation Equity nvestment Fund Management Co., td.	1,190,000.00			
lubei Fengjiashan Silicon Fiber Co., td.	46,010,806.45		47,010,806.45	

Maria de la composición dela composición de la composición dela composición dela composición dela composición de la composición de la composición de la composición dela	December 31 st , 2019				December 3	11 st , 2018
Name and type of related party	Closing balance	Provision for bad debts	Opening balance	Provision for bad debts		
Total	4,319,968,025.21	327,178,773.71	577,067,782.92			

3. Other payables of related parties

Name and type of related party	Closing balance	Opening balance
Joint ventures and associates	48,127,308.66	70,667,308.66
Including: Wuhan New Power Fuel Co., Ltd.		22,540,000.00
Wuhan Red Star Macalline Zhengda Logistics Co., Ltd.	48,127,308.66	48,127,308.66
Other related parties	1,354,040,882.87	297,046,348.57
Including: Huangshi Decheng Industry Group Co., Ltd.	1,000,000.00	1,000,000.00
Wuhan High-tech Thermal Power Co., Ltd.	201,027.81	201,027.81
Wuhan Guofa Investment Management Group Corporation	1,499,250.00	1,500,000.00
Wuhan Yijing Jiangnan Real Estate Co., Ltd.	89,003,385.67	89,003,385.67
Guo Yan		1,500,000.00
Hubei Jiupai Venture Capital Co., Ltd.	1,628,574.68	3,841,935.09
Zhang Guoli	4,823,376.30	200,000,000.00
Kunming Wanton Cold Storage and Logistics Co., Ltd.	27,510,000.00	
Wuhan Sun Property Development Co., Ltd.	3,841,935.09	
Wuhan Ink Tsinghua Real Estate Development Co., Ltd.	1,100,000,000.00	
Nuhan Diansheng Real Estate Development Co., Ltd.	124,533,333.32	
Total	1,402,168,191.53	367,713,657.23

XII. Notes to key items of the financial statements of the parent company

(1).Accounts receivable

4	Closing balance					
Туре	Book balance		Provision for bad debts			
	Amount	Ratio (%)	Amount	Ratio (%)		
Accounts receivable that are individually significant and are subjected to provision for bad debts on individual basis						
Accounts receivable that are subjected to provision for bad debts on credit risk characteristics portfolio basis	30,754.00	100.00	E.			

Туре	Closing balance					
	Book balance	Provision for bad debts				
	Amount	Ratio (%)	Amount	Ratio (%)		
Accounts receivable that are individually insignificant but are subjected to provision for bad debts on individual basis						
Total	30,754.00	-				

(Continued)

	Opening balance					
Туре	Book balance	Provision for bad debts				
	Amount	Ratio (%)	Amount	Ratio (%)		
Accounts receivable that are individually significant and are subjected to provision for bad debts on individual basis						
Accounts receivable that are subjected to provision for bad debts on credit risk characteristics portfolio basis	30,754.00	100.00				
Accounts receivable that are individually insignificant but are subjected to provision for bad debts on individual basis						
Total	30,754.00					

- 1. Accounts receivable that are subjected to provision for bad debts on credit risk characteristics portfolio basis
 - 1) Accounts receivable for which provision for bad debts is made by other portfolios

Name of portfolio	Closing balance			
Hame of portions	Book balance	Accrual ratio (%)	Provision for bad debts	
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims, microloan business, pawn business, etc	30,754.00			
Total	30,754.00			

	Opening balance			
Name of portfolio	Book balance	Accrual ratio (%)	Provision for bad debts	
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims,	30,754.00			

		Notes	to the	finan	cial statemer	its for	the year 20
					Opening balance		7-0.20
Name of portfo	lio	Book	balance		Accrual ratio (961	Provision for b
microloan business, pawn business,	etc		-1	-		-	debts
Total			30,754.00		147		
2)Top 5 accounts rece	2)Top 5 accounts receivable by closing b			ted by	debtors		
Name of debtor				Ratio to total accour		unts Provide to but a	
Wuhan Chensheng Mining Investmen	nt Co., Ltd.	30,75	54.00	100	100.00		7/03/40/03/03/03/03/03/03/03/03/03/03/03/03/03
Total		30,75	4.00		100.00		
(2)Other receivables		Li-lilli					
Item		Closing balance			Openia	ng balan	ce
Interest receivable						•	
Dividends receivable				+			
Other receivables		8,848,732,885,54			5,080,989,879.		
Total		8,848,732,885.54			5,080,989,879.		
1.Other receivables			2-1 P. 1 P. 1				
			CI	osing b	alance		
Туре		Book balance			Provisio	n for bar	d debts
		Amount	Rati	o (%)	Amount	t	Ratio (%)
Other receivables that are individual significant and are subjected to provision bad debts on individual basis	fually on for						
Other receivables that are subjecte provision for bad debts on credit characteristics portfolio basis	d to risk	8,878,732,885.54		100.00	30,000	0,000.00	0.34
Other receivables that are individ nsignificant but are subjected to provi or bad debts on individual basis	ually						
Total		8,878,732,885.54			30,000,	00.00	
(Continued)							
			Oper	ning bal	ance		
Туре		Book balance			Provision f	or bad d	ebts
		Amount	Ratio (%)	Amount		Ratio (%)
her receivables that are individua	ally						

	Opening balance					
Туре	Book balance	Provision for bad debts				
	Amount	Ratio (%)	Amount	Ratio (%)		
significant and are subjected to provision for bad debts on individual basis						
Other receivables that are subjected to provision for bad debts on credit risk characteristics portfolio basis	5,110,989,879.55	100.00	30,000,000.00	0.59		
Other receivables that are individually insignificant but are subjected to provision for bad debts on individual basis						
Total	5,110,989,879.55	-	30,000,000.00			

- Other receivables that are subjected to provision for bad debts on credit risk characteristics portfolio basis
 - 1)Other receivables for which provision for bad debts is made by aging analysis method

Aging	Closing balance				
	Amount	Ratio (%)	Provision for bad debts		
Within 1 year (included)					
1—2 years					
2—3 years					
3 — 4 years					
4—5 years					
Above 5 years	30,000,000.00	100.00	30,000,000.00		
Total	30,000,000.00	100.00	30,000,000.00		

(Continued)

Aging	Opening balance				
	Amount	Ratio (%)	Provision for bad debts		
Within 1 year (included)					
1-2 years					
2—3 years					
3—4 years					
1—5 years					
Above 5 years	30,000,000.00	100.00	30,000,000.00		

Aging	Opening balance			
	Amount	Ratio (%)	Provision for bad debts	
Total	30,000,000.00	100.00	30,000,000.00	

2)Other receivables for which provision for bad debts is made by other portfolios

Name of portfolio	Closing balance				
name of portions	Amount	Accrual ratio (%)	Provision for bad debts		
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims, microloan business, pawn business, etc	1,214,301,896.50				
Portfolio 3 receivables and employee reserves between related companies	7,634,430,989.04				
Total	8,848,732,885.54				

(Continued)

Name of portfolio	Opening balance				
name of portiono	Amount	Accrual ratio (%)	Provision for bad debts		
Portfolio 2 deposit, secured creditor's rights, government claims, long-term strategic partners' claims, microloan business, pawn business, etc	2,503,514,428.60				
Portfolio 3 receivables and employee reserves between related companies	2,577,475,450.95				
Total	5,080,989,879.55				

3)Top five other receivables by closing balance collected by debtors

Name of debtor	Name of payment	Book balance	Aging	Ratio to total other accounts receivable (%)	Provision for bad debts
Wuhan Development & Investment Co., Ltd.	Related party transactions	5,878,318,675.82	Within 1 year	66.21	
Wuhan Credit Risk Management Co., Ltd.	Related party transactions	626,492,479.88	Within 1 year-2 years	7.06	
Wuhan Yangtze River Economy United Development Co., Ltd.	Related party transactions	150,432,888.89	Within 1 year	1.69	
Wuhan Jingfa Grain Logistics ndustry Investment Co., Ltd.	Related party transactions	452,105,555.56	Within 1 year-2 years	5.09	
Nuhan Financial Holdings Energy Group Co., Ltd.	Related party transactions	195,167,369.87	Within 1 year-3 years	2.20	
Total	-	7,302,516,970.02		82.25	

(3)Long-term equity investments

1. Classification of long-term equity investments

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Investments in subsidiaries	14,598,900,497.44	703,626,833.93		15,302,527,331.37
Investment in joint ventures				
Investments in associates	2,583,701,701.56	2,659,171,403.74	537,332,578.48	4,705,540,526.82
Subtotal	17,182,602,199.00	3,362,798,237.67	537,332,578.48	20,008,067,858.19
Less: Provision for impairment of long-term equity nvestments				
Total	17,182,602,199.00	3,362,798,237.67	537,332,578.48	20,008,067,858.19

2. Details of long-term equity investments

			Changes in current year			
Investee Inv	Investment costs	Opening balance	Added investment	Reduced investment	Investment gains and losses recognized under the equity method	
I. Joint ventures						
II. Associates	3,020,578,430.3	1 2,583,701,701.56	2,305,393,662.97		329,055,319.94	
China Eastern Airlines Wuhan Co., Ltd.	847,409,126.9	7	847,409,126.97		71,702,470.86	
Hankou Bank Co., Ltd.	1,457,984,536.00	1,814,146,276.80	1,457,984,536.00		245,960,000.00	
Wuhan Yangtze Communications Industry Group Co., Ltd.	130,213,327.22	201,988,974.33			11,792,462.13	
Wuhan Yangtze Semiconductor Lighting Technology Co., Ltd.	44,457,654.04	21,975,667.42			3,673,761.28	
Y.U.D. Yangtze River nvestment Industry Co., .td.	40,513,786.08	45,590,783.01			-4,073,374.33	
Vuhan Recycling Industry nvestment Fund (Limited artnership)	500,000,000.00	500,000,000.00				
Total	3,020,578,430.31	2,583,701,701.56	2,305,393,662.97		329,055,319.94	

(Continued)

Investee	Changes in current year

	Adjustments to other comprehensive income	Changes in other equity	Cash dividends or profits declared
I. Joint ventures			
II. Associates	2,669,884.83	22,052,536.00	37,332,578.48
China Eastern Airlines Wuhan Co., Ltd.			18,836,940.00
Hankou Bank Co., Ltd.			11,000,000.00
Wuhan Yangtze Communications Industry Group Co., Ltd.	-565,929.19	22,052,536.00	7,495,638.48
Wuhan Yangtze Semiconductor Lighting Fechnology Co., Ltd.			
C.U.D. Yangtze River Investment Industry	3,235,814.02		
Vuhan Recycling Industry Investment Fund Limited Partnership)			
Total	2,669,884.83	37,332,578.48	

(Continued)

	Changes in	n current year		Charles I. I.
Investee	Provision for impairment	Other	Closing balance	Closing balance of provision for impairment
I. Joint ventures				
II. Associates		-500,000,000.00	4,705,540,526.82	
China Eastern Airlines Wuhan Co., Ltd.			900,274,657.83	
Hankou Bank Co., Ltd.			3,507,090,812.80	
Wuhan Yangtze Communications Industry Group Co., Ltd.			227,772,404.79	
Wuhan Yangtze Semiconductor Lighting Technology Co., Ltd.			25,649,428.70	
Y.U.D. Yangtze River Investment Industry Co., Ltd.			44,753,222.70	- rather N
Nuhan Recycling Industry Investment Fund Limited Partnership)		-500,000,000.00		
Total		-500,000,000.00	4,705,540,526.82	

3. Key financial information of significant associates

	Closing balance		
ltem	Hankou Bank Co., Ltd.	China Eastern Airlines Wuhan Co., Ltd.	
Current assets	51,307,018,000.00	368,733,710.28	

	Closing	balance	
Item	Hankou Bank Co., Ltd.	China Eastern Airlines Wuhan Co., Ltd.	
Non-current assets	354,432,547,000.00	7,917,061,425.25	
Total assets	405,739,565,000.00	8,285,795,135.53	
Current liabilities	296,394,842,000.00	1,610,976,842.46	
Non-current liabilities	87,496,881,000.00	2,897,075,282.21	
Total liabilities	383,891,723,000.00	4,508,052,124.67	
Net assets	21,847,842,000.00	3,777,743,010.86	
Shares of net assets calculated according to shareholding ratio	4,286,546,600.40	863,592,052.28	
Adjustments			
Book value of investments in joint ventures' equity			
Fair value of equity investments with publicly quoted prices			
Operating income	6,472,600,000.00	4,743,362,736.79	
Financial expenses		167,817,544.86	
Income tax expenses	-342,220,000.00	114,917,996.72	
Net profits	2,418,902,000.00	318,965,388.59	
Other comprehensive income	-144,276,000.00	9,245,289.10	
Total comprehensive income	2,274,626,000.00	328,210,677.69	
Dividends received from joint ventures in current year		paracetus contratal files	

(Continued)

Item	Opening balance			
item	Hankou Bank Co., Ltd.	China Eastern Airlines Wuhan Co., Ltd.		
Current assets	45,539,032,000.00	237,317,524.33		
Non-current assets	273,756,877,000.00	7,047,365,829.55		
Total assets	319,295,909,000.00	7,284,683,353.88		
Current liabilities	228,076,609,000.00	1,633,821,234.56		
Non-current liabilities	71,177,021,000.00	1,943,447,188.84		
Total liabilities	299,253,630,000.00	3,577,268,423.40		
Net assets	20,042,279,000.00	3,707,414,930.48		

Item	Opening balance		
item	Hankou Bank Co., Ltd.	China Eastern Airlines Wuhan Co., Ltd.	
Shares of net assets calculated according to shareholding ratio	3,932,295,139.80	847,515,053.11	
Adjustments			
Book value of investments in joint ventures' equity			
Fair value of equity investments with publicly quoted prices			
Operating income	6,076,108,000.00	4,558,688,342.04	
Financial expenses		110,877,463.64	
Income tax expenses	-166,617,000.00	90,838,577.74	
Net profits	1,882,378,000.00	218,804,162.60	
Other comprehensive income	566,304,000.00	-1,808,082.74	
Total comprehensive income	2,448,682,000.00	216,996,079.86	
Dividends received from joint ventures in current year			

(4)Operating income and cost

Item Amount in current year		nt year	Amount in previous year	
	Income	Cost	Income	Cost
(1) Subtotal of main businesses	56,992,598.92		173,893,350.07	
Including: Income from financial services	51,612,735.83		164,316,683.91	
Income from asset management	2,094,339.62		2,094,339.62	
Rental income	3,285,523.47		7,482,326.54	
(2) Subtotal of other businesses	1,867,478.49		3,193,547.39	
including: Partnership management fees	1,867,478.49 3,193,547.39		3,193,547.39	
Total	58,860,077.41 177,086,897.46			

(5)Investment income

Source of investment income	Amount in current year	Amount in previous year
Income arising from long-term equity investments under the equity method	329,055,319.94	302,828,307.81
Investment income arising from disposal of long-term equity investments		

Source of investment income	Amount in current year	Amount in previous year
Income arising from long-term equity investments under the cost method	62,259,599.06	
Investment income over the period of holding financial assets measured at fair value through profit or loss	3,354.00	2,365.00
Investment income obtained from held-to-maturity investment		757,430.85
Investment income obtained from available for sale financial assets	2,639,672.60	15,568,459.00
Investment income arising from disposal of available-for-sale financial assets		3,478,321.02
Gain arising from remeasurement of remaining equity at fair value after loss of control		
Other	335,572,252.97	55,428.88
Total	729,530,198.57	322,690,312.56

Note: Other was mainly caused by the Company's increase in shareholding ratio of equity instrument investment in China Eastern Airlines Wuhan Co., Ltd. in 2019, and the transfer of changes in accumulated fair value originally included in other comprehensive income into the current profit or loss calculated by equity method.

(6)Parent company's cash flow statement

1. Supplementary information of parent company's cash flow statement

Item	Amount in current year	Amount in previous year
1. Adjustment from net profits to cash flows from operating activities		
Net profits	-6,977,928.74	-187,762,531.79
Add: Provision for impairment of assets		
Impairment loss of credit assets		
Depreciation of fixed assets, oil and gas assets and productive biological assets	6,058,551.35	6,383,204.88
Amortization of intangible assets		
Amortization of long-term prepayments		
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")	1,055,819.98	866.00
osses on scrap of fixed assets (gains marked with "-")		
osses on changes in fair values (gains marked with "-")	-12,172.03	44,852.03
inancial expenses (gains marked with "-")	634,811,384.52	657,391,951.77
rvestment losses (gains marked with "-")	-729,530,198.57	-322,690,312.56

Item	Amount in current year	Amount in previous year
Decrease in deferred tax assets (increase marked with "-")		
Increase in deferred tax liabilities (decrease marked with "-")		
Decrease in inventories (increase marked with "-")	8,278.00	
Decrease in operating receivables (increase marked with "-")	-3,769,065,471.07	-321,147,261.1
Increase in operating payables (decrease marked with "-")	1,746,755,698.06	-1,649,409,744.96
Other		
Net cash flow from operating activities	-2,116,896,038.50	-1,817,188,975.80
Significant investing and financing activities that do not involve cash receipts and payment		
Transfer of debt to capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents		
Closing balance of cash	2,870,747,888.56	2,016,054,274.52
ess: Opening balance of cash	2,016,054,274.52	525,887,611.50
dd: Closing balance of cash equivalents		
ess: Opening balance of cash equivalents		
let increase in cash and cash equivalents	854,693,614.04	1,490,166,663.02

2. Cash and cash equivalents of the parent company

Item	Closing balance	Opening balance
Cash	2,870,747,888.56	2,016,054,274.52
Including: Cash on hand		
Bank deposits readily available for payment	2,866,448,954.41	2,014,424,477.85
Other cash and cash equivalents readily available for payment	4,298,934.15	1,629,796.67
Central bank deposits available for payment		
Deposits in other banks		
Interbank payments		
Cash equivalents		
Including: Bond investments due within 3 months		
Closing balance of cash and cash equivalents	2,870,747,888.56	2,016,054,274.52

Item	Closing balance	Opening balance
Including: Restricted cash and cash equivalents used by the parent company and the subsidiaries of the Group		

XIII. Other disclosures required under the relevant financial accounting system

In accordance with the requirements of State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government, the financial statements of Yangtze Asset Management Co., Ltd., a wholly-owned subsidiary, were reported separately. Therefore, it was not included in the consolidation scope of the financial statements, and none of the financial statement data disclosed above included data relating to it.

XIV. Approval of Financial Statements

The Group's financial statements for 2019 have been approved by the Company's Board of Directors.

Wuhan Financial Holdings (Group) Co., Ltd.

June 25th, 2020

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2012年03月02日 至 2042年03月01日 2012年03月02日 期 辑 Ш 伙 4II

主要经营场所

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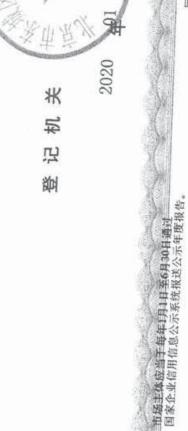
信永中和会计师事务所(特殊普通合伙)

特殊普通合伙企业

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旬 审查企业会计报表,出具审计报告,验证企业资本,出具验资报告;办理企业合并、分立、清算事宜中的审计业务,出具有关报告,基本建设年度财务决算审计,代理记账,会计咨询、税务咨询、管理咨询、会计培训, 法律、法规规定的其他业务。(企业依法自主选择经营项目, 开展经营活动,依法须经批准的项目,经相关部门批准后依根准的内容开展经营活动,不得从事本市产业政策禁止和限制类项目的经营活动,不得从事本市产业政策禁止和 制类项目的经营活动。



经



会计师事务所

执业证书

信永中和会计师事务所(特殊普通合伙) 称:

\$Z

育席合伙人;叶韶勋

上任会计师:

经营场所北京市东城区朝阳门北大街8号富华大厦A座8层

组织形式:

执业证 B编号: 11010136

批准执业文号;京财会许可[2011]0056号

批准执业目期;2011年07月07日

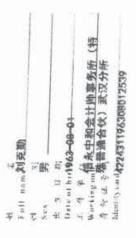
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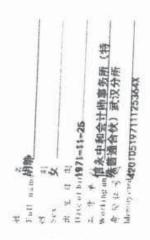
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