

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) take no responsibility for the contents of this announcement, 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 announcement.

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

This announcement and the listing document referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 Wuhan Financial Holdings (Group) Co., Ltd. (武漢金融控股(集團)有限公司) (the “**Issuer**”) 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 are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and have been 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.



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)

U.S.\$450,000,000 5.40 per cent. Notes Due 2027 (the “Notes”)

(Stock Code: 5281)

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Shanghai Pudong Development Bank Hong Kong Branch	Industrial Bank Co., Ltd. Hong Kong Branch	Bank of China	China International Capital Corporation	China Securities International	Hua Xia Bank Co., Limited Hong Kong Branch
--	--	---------------	--	-----------------------------------	---

Joint Lead Managers and Joint Bookrunners

China Zhesang Bank Co., Ltd. (Hong Kong Branch)	China PA Securities (Hong Kong) Company Limited	CITIC Securities	China Galaxy International	SPDB International	CMBC Capital	CNCB Capital	China Industrial Securities International	SunRiver International Securities Group Limited
--	--	---------------------	----------------------------------	-----------------------	-----------------	-----------------	--	---

PUBLICATION OF 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 the Notes on the SEHK dated 5 November 2024 published by the Issuer. The offering circular dated 30 October 2024 (the “**Offering Circular**”) referred to therein is appended to this announcement.

Pages F-159 and F-359 of the Offering Circular are in Chinese and are the registration details of ShineWing Certified Public Accountants LLP. Pages F-160 to F-162 and F-360 to F-362 of the Offering Circular are in Chinese and are copies of the licences of the relevant responsible accountants.

Hong Kong, 6 November 2024

As at the date of this announcement, the directors of Wuhan Financial Holdings (Group) Co., Ltd. are Mr. Mei Lin, Mr. Ding Zhen, Mr. Sun Zhengbai, Mr. Yang Bangwen and Mr. Wu Zhanlai.

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 Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Industrial Bank Co., Ltd. Hong Kong Branch, Bank of China Limited, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, Hua Xia Bank Co., Limited Hong Kong Branch, China Zheshang Bank Co., Ltd. (Hong Kong Branch), China PA Securities (Hong Kong) Company Limited, CLSA Limited, China Galaxy International Securities (Hong Kong) Co., Limited, SPDB International Capital Limited, CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, China Industrial Securities International Brokerage Limited and SunRiver International Securities Group 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 (as defined in the Offering Circular) and the Agents (as defined in the Offering Circular) or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them 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.



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)

U.S.\$450,000,000 5.40 per cent. Notes Due 2027

Issue price: 100.0

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 5.40 per cent. Notes due 2027 (the “**Notes**”). The Notes will be direct, unconditional, 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 Issuer.

The Notes will bear interest on their outstanding principal amount from and including 5 November 2024 (the “**Issue Date**”) at the rate of 5.40 per cent. per annum. Interests will be payable semi-annually in arrear on 5 May and 5 November in each year (each an “**Interest Payment Date**”), commencing on 5 May 2025. Payments on the Notes will be made free and clear of, and without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf 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 5 November 2027 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 of the Notes at 101 per cent. of their principal amount, together with accrued interest, following the occurrence of a Change of Control (as defined in the Terms and Conditions) or at 100 per cent. of their principal amount, together with accrued interest, following the 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 will undertake that it shall (a) within 15 PRC Business Days (as defined in the Terms and Conditions) 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); 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 Administrative Measures for Examination and Registration of Medium- and Long-term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) (the “**NDRC Administrative Measures**”) issued by the NDRC and effective from 10 February 2023 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time. The Issuer has received a Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises (企業借用外債審核登記證明) dated 12 July 2024 from the NDRC in connection with the Pre-Issuance Registration. Pursuant to the requirements of the NDRC Administrative Measures, the Issuer will be required to complete the filing in respect of the issue of the Notes within the time period prescribed by the NDRC after the Issue Date (the “**NDRC Post-issue Filing**”).

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) 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案登記有關要求的通知)(發改辦外資[2019]666號) promulgated on 6 June 2019 and took effect on the same day.

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

Investing in the Notes involves risks. See “*Risk Factors*” beginning on page 13 for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes are being issued as “Sustainability Notes” under the Issuer’s Sustainability Finance Framework. See “*Sustainability Finance Framework*” and “*Risk Factors – Risks Relating to the Notes – The Notes being issued as “sustainability notes” may not be a suitable investment for all investors seeking exposure to green assets*”.

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 are expected to be assigned a rating of “BBB-” by Fitch Ratings Ltd. (“**Fitch**”). The Issuer has been assigned a corporate rating of “BBB-” by Fitch with a stable outlook. The rating does not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by Fitch. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

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 depository 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 in the Global Certificate, 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 71. 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

Shanghai Pudong Development Bank Hong Kong Branch	Industrial Bank Co., Ltd. Hong Kong Branch	Bank of China	China International Capital Corporation	China Securities International	Hua Xia Bank Co., Limited Hong Kong Branch
---	--	---------------	--	-----------------------------------	--

Joint Lead Managers and Joint Bookrunners

China Zheshang Bank Co., Ltd. (Hong Kong Branch)	China PA Securities (Hong Kong) Company Limited	CITIC Securities	China Galaxy International	SPDB International	CMBC Capital	CNCB Capital	China Industrial Securities International	SunRiver International Securities Group
--	---	---------------------	-------------------------------	-----------------------	-----------------	--------------	--	--

Offering Circular dated 30 October 2024

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, including all information required by applicable laws and according to the particular nature of the Issuer, the Group and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and of the rights attaching to the Notes, (ii) 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 in any material respect misleading, (iii) all 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, (iv) all statements of opinions, intentions, belief or expectation with regard to the Issuer contained in this Offering Circular are truly and honestly held and were or have been made after due and careful consideration of all relevant circumstances and are based on reasonable assumptions and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such statements described 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 the Terms and Conditions) or the Agents (as defined in the Terms and Conditions) or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them 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 or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them accepts 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 or any of their respective

affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them in connection with the Issuer or the issue and offering of the Notes. Each of the Joint Lead Managers, the Trustee and the Agents and each of their respective affiliates, directors, employees, agents, advisers, officers and representatives and each any person who controls any of them 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 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.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”), and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the 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 Stock Exchange of Hong Kong Limited 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 or the Agents or any of their respective affiliates, directors, employees, agents, advisers, officers or representatives or any person who controls any of them 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.

The Notes are expected to be assigned a rating of “BBB-” by Fitch. The Issuer has been assigned a corporate rating of “BBB-” by Fitch with a stable outlook. The rating does not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by Fitch. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors

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

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an “**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for

the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

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

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

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 134.

This Offering Circular contains consolidated financial information of the Issuer as at and for the year ended 31 December 2021, which has been extracted from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2022 (the “**2022 Audited Financial Statements**”) and consolidated financial information of the Issuer as at and for the years ended 31 December 2022 and 2023, which has been extracted from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2023 (the “**2023 Audited Financial Statements**”, and together with the 2022 Audited Financial Statements, the “**Audited Financial Statements**”). The Audited Financial Statements have been audited by ShineWing Certified Public Accountants LLP, the independent auditor of the Issuer (“**ShineWing**”).

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 RMB7.0999 to U.S.\$1.00 (the noon buying rate in New York City on 29 December 2023 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.

TABLE OF CONTENTS

	Page
SUMMARY	1
SUMMARY FINANCIAL INFORMATION OF THE ISSUER	4
THE OFFERING	9
RISK FACTORS	13
TERMS AND CONDITIONS OF THE NOTES	50
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	71
CAPITALISATION AND INDEBTEDNESS OF THE GROUP	73
SUSTAINABILITY FINANCE FRAMEWORK	74
DESCRIPTION OF THE GROUP	82
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	117
USE OF PROCEEDS	122
EXCHANGE RATE INFORMATION	123
TAXATION	125
PRC REGULATIONS	129
DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS	134
SUBSCRIPTION AND SALE	136
GENERAL INFORMATION	142
INDEX TO FINANCIAL STATEMENTS	F-1

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 the State-owned Assets Supervision and Administration Commission of Wuhan Municipal Government (武漢市人民政府國有資產監督管理委員會)(“**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 controlled 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 2021, 2022 and 2023, the Group’s total operating income was RMB52,675 million, RMB59,853 million and RMB80,740 million, respectively, and its gross operating profit was RMB7,503 million, RMB7,155 million and RMB5,998 million for the same periods. With such 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) electronics and chemical, 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). For the years ended 31 December 2021, 2022 and 2023, the Group’s operating income from this business sector was RMB6,704 million, RMB7,320 million and RMB5,938 million, respectively, representing 12.7 per cent., 12.2 per cent. and 7.4 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 trading of supply chain commodities including cold chain commodities, metals, grain and grain products and wood and (ii) the trading of passenger vehicles. For the years ended 31 December 2021, 2022 and 2023, the Group’s operating income from this business sector was RMB34,632 million, RMB43,037 million and RMB65,982 million, respectively, representing 65.7 per cent., 71.9 per cent. and 81.7 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 2021, 2022 and 2023, the Group’s operating income from this business sector was RMB5,017 million, RMB3,968 million and RMB3,771 million, respectively, representing 9.5 per cent., 6.6 per cent. and 4.7 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**”). For the years ended 31 December 2021, 2022 and 2023, the Group’s operating income from this business sector was RMB1,205 million, RMB376 million and RMB530 million, respectively, representing 2.3 per cent., 0.6 per cent. and 0.7 per cent. of its total operating income for the same periods.
- **Electronics and chemicals.** The Group commenced its electronics and chemicals business, which primarily produces semiconductors and basic chemical raw materials, after its acquisition of Hangjin Technology Co., Ltd. (航錦科技股份有限公司)(“**Hangjin Technology**”) (stock code: 000818.SZ) in 2021. For the years ended 31 December 2021, 2022 and 2023, the Group’s operating income from this business sub-sector was RMB4,094 million, RMB4,292 million and RMB3,668 million, respectively, representing 7.8 per cent., 7.2 per cent. and 4.5 per cent. of its total operating income for the same periods.
- **Others.** The Group also engages in other businesses, including (i) photovoltaics service business, (ii) new energy vehicles leasing business, (iii) security escort services and (iv) industrial investment and operation. For the years ended 31 December 2021, 2022 and 2023, the Group’s operating income from other businesses was RMB1,023 million, RMB860 million and RMB851 million, respectively, representing 1.9 per cent., 1.4 per cent. and 1.1 per cent. of its total operating income for the same periods.

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					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Financial services sector	6,704	12.7	7,320	12.2	5,938	7.4
Industry sector	45,971	87.3	52,533	87.8	74,802	92.6
Commodity trading	34,632	65.7	43,037	71.9	65,982	81.7
Integrated logistics services	5,017	9.5	3,968	6.6	3,771	4.7
Real estate	1,205	2.3	376	0.6	530	0.7
Electronics & chemicals	4,094	7.8	3,292	7.2	3,668	4.5
Others	1,023	2.0	860	1.5	851	1.0
Operating income	52,675	100.0	59,853	100.0	80,740	100.0

Gross operating profit

	For the year ended 31 December					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Financial services sector	5,063	67.5	5,335	74.6	3,785	63.1
Industry sector	2,440	32.5	1,820	25.4	2,213	36.9
Commodity trading	304	4.0	419	5.9	782	13.0
Integrated logistics services	410	5.5	320	4.5	268	4.5
Real estate	206	2.7	110	1.5	234	3.9
Electronics & chemicals	1,125	15.0	718	10.0	685	11.4
Others	395	5.3	253	3.5	244	4.1
Gross operating profit	7,503	100.0	7,155	100.0	5,998	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:

- Multi-faceted Support from the Wuhan Municipal Government for High-Quality Development;
- Prominent state-owned enterprise serving as the core platform for promoting key strategic industries in the region;
- A pillar of regional financial centre development;
- Prudent investment management and stringent risk management control with diversified financing channels; and
- 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 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;
- enhance business portfolio and optimise resource allocation;
- further strengthen and promote sound management and enrich corporate governance; and
- continue to diversify financing channels and explore innovative financing methods.

RECENT DEVELOPMENT

Performance of the Group as at and for the Six Months Ended 30 June 2024

The Issuer has published its interim consolidated financial statements as at and for the six months ended 30 June 2024 (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 Group recorded an increase in total operating revenue for the six months ended 30 June 2024 as compared to the same period in 2023 resulting from an increase in revenue from the Group’s businesses in the industrial sector. However, the Group’s net profit for the six months ended 30 June 2024 decreased as compared to the same period in 2023 primarily due to an increase in costs of sales, taxes and surcharges, financial expenses and research and development cost, a lower level of gains from changes in fair value and asset

impairment and a decrease in non-operating income, partially offset by an increase in investment income. As at 30 June 2024, the Group's total assets increased as compared to the balance as at 31 December 2023. As at 30 June 2024, total liabilities of the Group increased as compared to the balance as at 31 December 2023, which was primarily attributable to the increases in the Group's current liabilities, in particular, short-term loans and borrowings from banks, incurred to enhance liquidity and to meet the Group's capital needs.

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 2024. 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. 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.”*

Additional Indebtedness since 31 December 2023

Since 31 December 2023, the Group has incurred additional indebtedness to replenish its working capital, to finance its business development and for other general corporate purposes. In particular, since 31 December 2023, the Group has issued debt instruments, including but not limited to short-term corporate bonds, private placement notes and medium-term notes, with an aggregate principal amount of approximately RMB10.43 billion in domestic capital market in the PRC.

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The summary audited consolidated financial information of the Issuer as at 31 December 2021, 2022 and 2023 and for the years ended 31 December 2021, 2022 and 2023 set forth below is derived from and should be read in conjunction with the Audited Financial Statements and the notes thereto included elsewhere in this Offering Circular. The Audited Financial Statements were prepared and presented in accordance with PRC GAAP and have been audited by ShineWing. See “Presentation of Financial Information”.

PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC’s unique circumstances and environment. For a summary of the differences, see “Description of Certain Differences between PRC GAAP and IFRS”. Historical results are not necessarily indicative of results that may be achieved in any future period.

The following tables set forth the Issuer’s summary consolidated financial information as at the dates and for the periods indicated.

Summary Consolidated Profit Statement Data

	Year ended 31 December		
	2021	2022	2023
	(RMB'000)	(RMB'000)	(RMB'000)
	(audited)	(audited)	(audited)
Total operating revenue	52,652,474	59,640,732	80,739,642
Total operating costs	51,299,034	59,037,938	81,732,189
Including: Operating cost	45,169,140	51,068,038	72,698,316
Interest expenses	—	1,626,037	1,940,419
Handling charges and commission expenses	—	30,067	103,318
Taxes and surcharges	215,263	200,677	237,826
Costs of sales	338,050	315,674	397,402
Management fees	1,539,377	1,573,983	2,014,860
Research and development cost	99,113	150,225	168,250
Financial expenses	3,938,091	4,073,237	4,171,798
Add: Investment income	1,062,333	817,827	2,647,041
Including: Income/(loss) from investments joint ventures	347,124	356,639	328,838
Exchange earnings	—	695	6,850
Gains from changes in fair value	254,883	161,264	557,608
Credit impairment loss	(249,226)	16,406	(982,457)
Impairment losses on assets	(90,297)	(67,328)	(126,772)
Income from asset disposal	171,344	31,195	10,342
Other incomes	171,755	308,854	325,537
Operating profit/(loss)	2,674,232	1,871,707	1,445,602
Add: Non-operating income	63,510	126,710	97,550
Less: Non-operating expenses	45,245	212,119	34,049
Total profit expenses	2,692,497	1,786,298	1,509,103
Less: Income tax	977,642	920,252	687,229
Net profit/(loss)	1,714,855	866,046	821,874
Net profit/(loss) attributable to parent company	1,176,609	108,655	789,480
Profit/(loss) attributable to minority share-holders	538,246	757,391	32,394

Summary Consolidated Balance Sheet Data

	As at 31 December		
	2021	2022	2023
	(RMB'000)	(RMB'000)	(RMB'000)
	(audited)	(audited)	(audited)
CURRENT ASSETS			
Monetary fund	11,431,423	9,320,152	12,582,590
Provision for settlement	—	—	385,347
Lending funds	—	1,047,855	700,433
Trading financial assets	6,009,784	5,013,003	10,919,743
Notes receivables	765,882	810,611	461,860
Accounts receivable	2,109,820	2,113,256	3,401,109
Receivables financing	47,557	59,495	25,788
Prepayments	4,366,058	6,115,772	8,901,915
Other accounts receivables	9,258,483	11,897,168	10,257,087
Buying back the sale of financial assets	—	779,430	360,378
Inventory	12,566,676	13,819,393	15,356,382
Contract assets	—	—	—
Non-current assets that mature within one year	16,150,031	17,791,444	23,833,222
Other current assets	29,020,224	27,268,978	28,150,985
Total current assets	91,725,938	96,036,557	115,336,839
NON-CURRENT ASSETS			
Loans and advances	—	485,834	1,032,959
Debt investments	7,592,508	7,576,394	8,069,470
Other debt investments	720,166	715,186	5,501,984
Long-term receivable	23,380,144	30,284,405	31,115,848
Long-term equity instrument investments	9,707,536	10,089,042	10,050,099
Other equity instrument investments	6,759,208	6,547,308	6,624,160
Other non-current financial investments	3,638,803	3,198,099	3,693,784
Investment real estate	1,197,915	3,509,533	3,562,209
Fixed asset	4,881,651	4,391,255	8,433,819
Projects under construction	2,572,477	2,727,439	3,771,376
Productive biological assets	991	789	631
Right assets	98,589	82,782	175,018
Intangible assets	1,958,694	1,829,828	1,890,277
Development expenditure	39,353	45,354	43,882
Goodwill	5,371,362	5,371,626	7,353,757
Long-term poetry share expenses	112,598	81,619	257,488
Deferred income tax assets	2,643,379	2,615,636	2,873,788
Other non-current assets	440,692	1,216,974	1,152,653
Total non-current assets	71,116,066	80,769,103	95,603,202
Total Assets	162,842,004	176,805,660	210,940,041
CURRENT LIABILITIES			
Short-term borrowing	9,321,827	13,650,782	16,198,958
Borrowing funds	—	41,826,353	52,957,876
Notes payable	1,150,991	1,185,755	2,559,452
Accounts payable	823,137	1,170,582	1,112,847
Advance payment	452,480	139,146	45,283
Contract liability	3,859,022	5,067,603	6,875,796
Financial assets sold for repurchase	—	—	2,662,983
Funds arising from acting trading of securities	—	—	1,177,562
Employee compensation payable	313,827	300,121	426,821
Payable taxes	1,778,237	921,215	1,040,108
Other payables	8,875,583	8,018,499	11,035,236
Non-current liabilities that mature within one year	10,728,491	18,099,419	25,318,059
Other current liabilities	35,833,025	3,621,802	4,096,849
Total current liabilities	73,136,620	94,001,277	125,507,830

NON-CURRENT LIABILITIES			
Long-term borrowing	20,805,102	20,651,903	28,887,400
Lease liability	95,427	78,096	169,205
Bonds payable	27,622,237	21,467,860	14,158,672
Long-term payables	4,780,916	5,338,642	5,777,800
Long-term employee benefits payable	28,641	39,633	46,336
Provisions	30,105	198,578	228,354
Deferred income	228,570	359,162	1,503,785
Deferred income tax liabilities	181,107	226,603	234,924
Other non-current liabilities	1,728,000	383,807	516,185
Total non-current liabilities	55,500,105	48,744,284	51,522,661
Total liabilities	128,636,725	142,745,561	177,030,491
OWNERS' EQUITY			
Paid-in capital	7,560,000	8,318,049	8,318,049
Other equity instruments	3,600,000	4,200,000	3,800,000
Capital reserves	6,568,157	6,842,282	6,900,300
Other comprehensive income	(79,141)	(267,931)	(175,139)
Special reserve	3,117	3,117	3,117
Surplus reserves	382,383	382,383	382,383
General risk reserve	773,797	961,199	1,077,538
Undistributed profit	(1,022,090)	(2,488,402)	(3,508,453)
Total owner's equity attributable to parent company	17,786,223	17,950,999	16,797,795
Minority interests	16,419,056	16,109,100	17,111,755
Total Owners' Equity	34,205,279	34,060,099	33,909,550
Total Liabilities and Owners' Equity	162,842,004	176,805,660	210,940,041

Summary Consolidated Cash Flows Statement Data

	Year ended 31 December		
	2021	2022	2023
	(RMB'000)	(RMB'000)	(RMB'000)
	(audited)	(audited)	(audited)
Net cash flows from/(used in) operating activities	2,828,295	(1,393,712)	9,377,415
Net cash flows from/(used in) investing activities.	(5,097,228)	(3,019,285)	(9,108,983)
Net cash flows from financing activities	2,790,624	2,194,774	2,610,112
Impact of exchange rate fluctuations on cash and cash equivalents	(11,536)	6,045	5,087
Net increase/(decrease) in cash and cash equivalents.	510,155	(2,212,178)	2,883,631
Add: Starting balance of cash and cash equivalents	10,299,508	10,809,663	8,597,485
Ending cash and cash equivalents balance.	10,809,663	8,597,485	11,481,116

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 while 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.

Issuer	Wuhan Financial Holdings (Group) Co., Ltd. (武漢金融控股(集團)有限公司)
Legal Entity Identifier (LEI)	3003005XLJWUBV4K8S69
Notes.	U.S.\$450,000,000 5.40 per cent. Notes due 2027
Registration.	The Issuer will undertake that it shall (a) within 15 PRC Business Days (as defined in the Terms and Conditions) 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; (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); and (c) comply with all applicable PRC laws and regulations in relation to registration of the Notes promulgated thereunder from time to time.
Issue Price.	100.0 per cent.
Issue Date	5 November 2024.
Maturity Date	5 November 2027.
The Offering	The Notes are being offered outside the United States in reliance on Regulation S (Category 1) under the Securities Act. See “ <i>Subscription and Sale</i> ”.
Interest	The Notes will bear interest from and including 5 November 2024 at the rate of 5.40 per cent. per annum, payable semi-annually in arrear on 5 May and 5 November in each year, commencing on 5 May 2025.
Status of the Notes.	The Notes will be 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) will rank <i>pari passu</i> , 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 (<i>Negative Pledge</i>) of the Terms and Conditions.

Event of Default.	The Notes will contain certain events of default provisions as further described in Condition 10 (<i>Events of Default</i>) of the 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 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 (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 30 October 2024 (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 “ <i>Terms and Conditions of the Notes – Taxation</i> ”.
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	The Notes may be redeemed at the option of the Issuer in whole, 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 (<i>Taxation</i>) 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 30 October 2024. See “ <i>Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons</i> ”.
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 “ <i>Terms and Conditions of the Notes – Redemption and Purchase – Redemption upon Change of Control or No Registration Event</i> ”.

Form and Denomination.	The Notes will be issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. 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 Global Certificate, definitive certificates for the Notes will not be issued in exchange for beneficial interests in such Global Certificate. See “ <i>Summary of Provisions Relating to the Notes while in Global Form</i> ”.
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.
Jurisdiction	The courts of Hong Kong are to have exclusive jurisdiction.
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 <i>pari passu</i> 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 (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 (<i>Further Issues</i>) of the Terms and Conditions. See “ <i>Terms and Conditions of the Notes – Further Issues</i> ”.
Trustee	China CITIC Bank International Limited
Principal Paying Agent. .	China CITIC Bank International Limited
Transfer Agent	China CITIC Bank International Limited
Registrar.	China CITIC Bank International Limited
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.
Expected Rating of the Notes	“BBB-” by Fitch
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 “ <i>Subscription and Sale</i> ”.

Sustainability Notes	The Notes are being issued as “Sustainability Notes” under the Sustainability Finance Framework (as defined herein). See “ <i>Sustainability Finance Framework</i> .”
Second Party Opinion . .	Each of Sustainable Fitch and Lianhe Green Development has issued a second-party opinion confirming that the Group’s Sustainability Finance Framework is in alignment with the Green Bond Principles 2021 (“ GBP ”) (with June 2022 Appendix I), Social Bond Principles 2023 (“ SBP ”), Sustainability Bond Guidelines 2021 (“ SBG ”), each issued by the International Capital Market Association, and the Green Bond Endorsed Projects Catalogue (2021 Edition) jointly announced by the People’s Bank of China, the National Development and Reform Commission and the China Securities Regulatory Commission or as they may subsequently be updated (together, the “ Sustainable Bond Principles ”), and the Green Loan Principles 2023 (“ GLP ”) and the Social Loan Principles 2023 (“ SLP ”), each issued by the Loan Market Association (the “ LMA ”), the Asia Pacific Loan Market Association (the “ APLMA ”) and the Loan Syndications and Trading Association (the “ LSTA ”) or as they may subsequently be updated (together, the “ Sustainable Loan Principles ”).
Use of Proceeds	The net proceeds of the issue of the Notes will be used to repay existing offshore debt and engage in supply chain trade procurement in accordance with the Sustainability Financing Framework and the NDRC Certificate. See “ <i>Use of Proceeds</i> ”.
ISIN	XS2922657940.
Common Code	292265794.

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 few decades. However, there has been a slowdown in the growth of the PRC's gross domestic product ("GDP") since the second half of 2013, which 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 PRC's GDP in 2021, 2022 and 2023 slowed to 8.1 per cent., 3.0 per cent. and 5.2 per cent., respectively. The PRC government has recently taken several measures with the intention of promoting the economic growth in the PRC, but there can be no assurance that such measures will be effective. Other factors beyond the Group's control may also negatively affect the growth of the PRC's economy. Any future slowdown 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. See *"– 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 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 -5.4 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. Hubei Province's GDP further slowed down to 4.0 per cent. in 2022. Although Hubei Province recorded a growth rate of 6.0 per cent. in 2023, the level of economic development in Hubei may not grow at their historical rates, or at all.

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. 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.

PRC regulations on the administration of the 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 debts of local governments. 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.

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 (國務院關於加強地方政府性債務管理的意見)(國發[2014]43號)("Circular 43") 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 the NDRC, the People's Bank of China (the "PBOC"), the China Securities Regulatory Commission (the "CSRC"), the China Banking Regulatory Commission (reorganised into the China Banking and Insurance Regulatory Commission) 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 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 MOF 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)(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 long-term 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)(發改辦外資[2019]666號) 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.

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 Wuhan SASAC 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. Wuhan SASAC 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 Wuhan SASAC 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 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.

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. Wuhan SASAC could also change its policies, plans, preferences, views,

expectations, projections, forecasts and opinions, as a result of changes in the PRC's economic, political and social environment and its projects of population and employment growth. Any such change may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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 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. Through these subsidiaries and associated companies, the Group operates its businesses 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 diversity of its subsidiaries and associated companies, the Group faces challenges not experienced by 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 the Issuer's funding shortage 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 2021, 2022 and 2023, the Group had cash paid for the acquisition of fixed assets, intangible assets and other long-term assets of RMB669 million, RMB1,353 million and RMB4,581 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 2021, 2022 and 2023, the Group recorded net cash inflow from operating activities of RMB2,828 million, net cash outflow from operating activities of RMB1,394 million and net cash inflow from operating activities of RMB9,377 million, respectively. See *“– The Group has historically experienced fluctuations in its 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 2023, 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 RMB93,730 million, of which RMB44,737 million would become due within 12 months. As at 30 June 2024, the Group had credit facilities in a total amount of approximately RMB103,221 million, of which approximately RMB35,280 million had not been utilised.

The Group's ability to arrange for external financing and the cost of such financing depend 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 affect 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 31 December 2023, 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 RMB93,730 million, of which RMB44,737 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 XI to the 2023 Audited 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. Hangjin Technology Co., Ltd. (航錦科技股份有限公司) (“**Hangjin Technology**”), another subsidiary of the Issuer, has pledged all equity interests of Changsha Shaoguang Semiconductor Co., Ltd. (長沙韶光半導體有限公司) (“**Changsha Shaoguang**”) in the amount of RMB20.4 million held by it to Bank of Communications Co., Ltd., Huludao Branch (交通銀行股份有限公司葫蘆島分行) (“**Bank of Communications Huludao Branch**”). Hangjin Technology has also pledged all equity interests in

Weike Electronic Module (Shenzhen) Co., Ltd. (威科電子模組(深圳)有限公司)(“**Weike Electronic Module**”) in the amount of RMB14.6 million held by it to Bank of Communications Huludao Branch. 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 fluctuations in its net cash outflows from operating activities.

The Group experienced fluctuations in its net operating cash flows. For the years ended 31 December 2021, 2022 and 2023, the Group recorded net cash inflow from operating activities of RMB2,828 million, net cash outflow from operating activities of RMB1,394 million and net cash inflow from operating activities of RMB9,377 million, respectively. The fluctuations in the Group's net cash outflows from operating activities were largely attributable to the fluctuations in its financial service business. 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.

The Group's liquidity is affected by receivable recovery.

As at 31 December 2021, 2022 and 2023, the Group's accounts receivables amounted to RMB2,110 million, RMB2,113 million and RMB3,401 million, respectively, representing 1.3 per cent., 1.2 per cent. and 1.6 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 2021, 2022 and 2023, the Group's other receivables amounted to RMB9,258 million, RMB11,897 million and RMB10,257 million, respectively, representing 5.7 per cent., 6.7 per cent. and 4.9 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 2021, 2022 and 2023, the balance of the Group's inventories was RMB12,567 million, RMB13,819 million and RMB15,356 million, respectively, representing 7.7 per cent., 7.8 per cent. and 7.3 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, but also may 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 2022 Audited Financial Statements and the 2023 Audited 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 2021, 2022 and 2023, the Group's long-term equity investments was RMB9,708 million, RMB10,089 million and RMB10,050 million, respectively, representing 6.0 per cent., 5.7 per cent. and 4.8 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 investments 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.

There are certain deficiencies in the Group's internal control and corporate governance. For example, two directors resigned and were not re-elected in a timely manner, resulting in the number of directors of the Issuer not complying with the provisions in the articles of association of the Issuer. In addition, the paid-in capital period of the Group does not comply with the provisions of the PRC Company Law.

Further, the Issuer is required by the PRC Company Law to have at least one director democratically elected through the assembly of the representatives of the employees and representing the Issuer's employees. However, all the directors of the Issuer are currently 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 applicable law and industry and business practice in the PRC. However, claims under the insurance policies may not be honoured fully or on time, or the insurance coverage may not be sufficient to cover costs associated with accidents incurred 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 non-performance, 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.

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 or to the loan prime rates (the "LPR") published by the National Interbank Funding Centre. Any 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. Starting August 2019, the National Interbank Funding Centre is authorised by the PBOC to publish the LPR on a

monthly basis based on the prime rate offered by a panel of commercial banks, and Chinese banks are required to use the LPR as the reference rate for the pricing of its loans extended after 1 January 2020. The one-year LPR was 3.85 per cent. in December 2020, 3.65 per cent. in December 2022, 3.45 per cent. in December 2023 and 3.45 per cent. in January 2024. 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 license 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 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 force majeure events, natural disasters and outbreaks of contagious diseases, 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.

Force majeure events, natural disasters, catastrophe or other events could result in severe personal injury to the Group's staff, property damage and environmental damage, which may curtail the Group's operations, cause delays in estimated completion dates for projects and materially and adversely affect its cash flows and, accordingly, adversely affect its ability to service debt. If any of the Group's assets are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. In addition, severe and prolonged contagious disease outbreaks, could result in a widespread health crisis, and the business activities and operations in the affected regions operated by the Group could be severely affected. For example, in early 2020, COVID-19, a highly infectious virus, spread throughout the globe, resulting in numerous deaths around the world. The World Health Organisation announced in March 2020 that COVID-19 had developed into a pandemic. A prolonged outbreak of any contagious disease similar to COVID-19 may 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.

The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses effectively, thereby reducing its operating revenue. Insurance policies for civil liability and damages taken out by the Group could prove to be significantly inadequate, and there can be no assurance that the Group will always be able to maintain a level of cover at least equal to current cover levels and at the same cost.

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 are unable 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 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. For example, in May 2024, the Shenzhen Regulatory Bureau of CSRC issued a warning letter to ShineWing on the grounds that it did not comply with the Practice Standards for Certified Public Accountants of China (中國註冊會計師執業準則)(the "CPA Practice Standards") when performing the audit of financial statements of Huayang Lianzhong Digital Technology Co., Ltd. (華揚聯眾數字技術股份有限公司) for the years ended 31 December 2021 and 2022. In September 2023, the Beijing Regulatory Bureau of CSRC issued a warning letter to ShineWing on the grounds that it did not comply the CPA Practice Standards when performing the audit of financial statements of Shenzhou High Speed Railway Technology Co., Ltd (神州高鐵路技術股份有限公司) for the years ended 31 December 2020, 2021 and 2022.

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 2022 Audited Financial Statements and the 2023 Audited 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 2022 Audited Financial Statements and the 2023 Audited 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.

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 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 administrative penalties for violation of certain regulations governing its businesses. 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. On 20 April 2022, pursuant to Article 46 of the Banking Supervision Law of the PRC, the Hubei Office of the CBIRC issued a penalty decision (E Yinbao Jian Fa Jue Zi [2022] No.9) (行政處罰決定書) (鄂銀保監罰決字[2022]9號) and imposed a monetary penalty in the total amount of RMB250,000 on Guotong Trust for accepting local government’s commitment letter in the process of financing. On 14 June 2024, the Hubei Bureau of the National Financial Regulatory Administration issued a Penalty Decision (E Jinjian Fa Jue Zi [2024] No. 33) (行政處罰決定書) (鄂金監罰決字[2024]33號) and imposed a monetary penalty in the total amount of RMB5.85 million on Guotong Trust for various breaches of laws and regulations in its operations. As at the date of this Offering Circular, the Group has made full payment of the foregoing 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.

As at 31 December 2023, the Group had granted entrusted loans with a total amount of approximately RMB16.74 billion. As at 31 December 2023, there were no entrusted loans overdue. 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 31 December 2023, the Group’s total outstanding balance of guarantees with respect to its credit guarantee business amounted to RMB8,871 million. For the years ended 31 December 2021, 2022 and 2023, the Group had made payments amounting to RMB70 million, RMB54 million and RMB70 million for its credit guarantee customers who were unable to repay their borrowings on time, respectively. 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 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 expose the SMEs 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 internal control systems as effective as those of larger corporate entities. Inadequate information not only could result in additional work and related costs, but also may undermine the effectiveness of the Group's 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. 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 compared to the Group. As the development of the Group's financial services business will be an important step in its 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 online financial services in recent years. The Group may need to compete with companies that enjoy more advanced information and information technology systems. 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, such as 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 or notes by an enterprise group to raise funds for use within the group is not subject to the provisions of the administrative measures. The National Financial Regulatory Administration 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 commodity 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 commodity 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 commodity 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 commodity 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 2021, 2022 and 2023, the supply for the oil processing logistics services from the top five suppliers accounted for 53 per cent., 55 per cent. and 46 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 cyclicity, 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 Natural 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 Natural Resources may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees on the unused land of the Group. 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. The Ministry of Land and Resources promulgated the revised Measures for Disposal of Unused Land on 1 June 2012, which came into effect on 1 July 2012. According to the above regulations, except for certain circumstances, unused land shall be handled in the following ways: (1) if the land has not been developed for more than one year, the municipal or county land and resources authorities shall, after approval by the people's government at the same level, issue a Decision on the Collection of Idle Land Fees to the state-owned construction land user, and collect unused land fees at the rate of 20% of the land transfer or allocation price. Unused land fees shall not be included in production costs; (2) if the land has not been developed for more than two years, the municipal or county land and resources authorities shall, in accordance with the relevant provisions of the Land Administration Law of the People's Republic of China and the Urban Real Estate Administration Law, issue a Decision on the Revocation of the State-owned Construction Land Use Rights to the state-owned construction land user, and the state-owned construction land use rights shall be reclaimed free of charge after approval by the government with approval authority. 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 ELECTRONICS AND CHEMICALS BUSINESS

The Group may be subject to liabilities in connection with accidents arising from its operations.

The Group's electronics and chemicals business involves the operation of machinery and handling of chemicals, which if operated or handled improperly, may result in health and safety issues for the Group's employees, physical injury or even death. If accidents resulting in employee injuries or deaths occur, the Group may be liable for medical and other payments to the employees and their families, in addition to possible fines or penalties. Furthermore, the Group may be forced to shut down certain equipment or suspend its operations due to government investigation or government requirement to implement additional safety measures. Such business interruptions will have a material adverse effect on the Group's business financial condition and results of operations. Such risks may not be covered adequately by the Group's existing insurance policies. If the Group incurs substantial liabilities and they are not covered by its insurance policies, the Group's business, financial condition and results of operations could be materially and adversely affected.

The Group may use, generate and dispose of hazardous chemicals which may subject the Group to liabilities.

Operations of the Group's electronics and chemicals business involves the use, generation and disposal of hazardous substances, including substances that are highly regulated and may cause harm to the environment or human health. As a result, the Group is subject to PRC environmental protection laws and regulations governing the emission, discharge, release and disposal of these substances and other pollutants. These laws and regulations require enterprises that produce environmental wastes to obtain governmental authorizations for operations and to adopt effective measures to control and properly manage and dispose of materials containing hazardous chemicals, including the Group's raw materials, products, waste gases, waste water and solid wastes. PRC environmental protection laws and regulations also require producers discharging hazardous substances and other pollutants to pay fines for discharges above permitted levels. Failure to comply with applicable PRC environmental laws or regulations may result in local environmental protection authorities imposing fines or suspending operations, may lead to the loss of environmental and production licenses and, in more extreme cases, criminal proceedings

against a manufacturer and its management. The PRC government and PRC regional regulatory authorities also have the discretion to suspend or close any facility failing to comply with such environmental protection laws and regulations. In the event that the PRC government imposes more stringent environmental protection laws and regulations, the Group's production and distribution costs may increase, or it may be forced to curtail or suspend production or to incur material capital expenditures or other costs to remain in compliance and the Group may be unable to pass on these additional costs to the Group's customers.

In addition, the Group's operations could result in releases of hazardous chemicals or other forms of pollution (including through air emissions, water discharges and waste disposal activities) that may cause harm to the environment or to human health. In the event that hazardous chemicals and other forms of pollution are present at the Group's properties or result from such activities, the Group may be subject to claims for personal injury or property damages. The Group may also be required by governmental authorities to investigate or remedy such conditions or pay compensation for any harm.

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. However, 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. While the PRC economy gained strength in 2021 with a GDP growth rate of 8.1 per cent., it slowed down to 3.0 per cent. in 2022 and 5.2 per cent. in 2023. China's growth is likely to come under the pressure of uncertainties over geopolitical developments, potential resurgence of the COVID-19 pandemic and ongoing efforts to restructure the economy and reduce financial risks.

The PRC's debt burden has also exacerbated in recent years. Since March 2016, Moody's Investors Service, Inc. and S&P Global Ratings have changed China's credit rating outlook to "negative" from "stable" and downgraded China's credit rating. In April 2024, Fitch has revised the outlook on China's long-term foreign-currency issuer default rating to "negative" from "stable". These measures highlight the country's surging debt burden and question the government's ability to enact reforms.

In addition to economic and monetary policies of the PRC government, the future performance of the PRC economy is 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 "EU"). The United Kingdom withdrew from the European Union on 31 January 2020 ("Brexit"). With Brexit taking full effect, there remains uncertainty about the future relationship between the United Kingdom and the EU. It is unclear how Brexit will ultimately affect the fiscal, monetary and regulatory landscape within the United Kingdom, the EU and the rest of the world. Furthermore, the Russo-Ukrainian conflict has led to significant volatility in the global markets. The extent and duration of such conflict, resulting sanctions and future market disruptions are impossible to predict, but could be significant and may have a severe adverse effect on the region, including a significant negative impact on the economy and the markets for certain securities and commodities, such as oil and natural gas, and on global economies.

Moreover, the trade tension between the U.S. and the PRC, trade protectionism and the slowdown in global economic growth have also caused volatility in the global financial market. Any tightening global trade policy against the PRC, including the tightening of regulatory restrictions and industry-specific quotas, tariffs, non-tariff barriers, and taxes, could negatively impact the PRC economy. This, in turn, could adversely impact Wuhan's economy and the Group's business, financial condition, and operating results.

Economic conditions in the PRC are also sensitive to global economic conditions. Uncertainties in the global and PRC economy and a reduction in liquidity in the global and PRC financial markets may negatively affect the Group's access to financing resources to support its business plans and expansion. Any material change in the financial markets, the PRC economy or regional economies may materially and adversely affect 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. 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, the appropriate intervention and regulation of the PRC government has an important impact on the economy. 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, because certain laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties.

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.

The Terms and Conditions and the transaction documents are governed by English law, and parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In addition, on 18 January 2019, the Supreme People's Court of China (the "SPC") and the Hong Kong Government

signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排)(the “**2019 Arrangement**”), which became effective in January 2024. The 2019 Arrangement extends the scope of judicial assistance, however, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider the enforcement of such judgment to be contrary to the social and public interest of the PRC or fails to meet other circumstances specified by the 2019 Arrangement. While it is expected that the PRC courts will recognise and enforce a judgment given by the Hong Kong courts, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Notes will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holders’ ability to initiate a claim outside of Hong Kong will be limited.

In addition, 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 will be denominated in U.S. 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. Conversion and remittance of foreign currencies are subject to PRC laws and regulations that affect exchange rates and foreign exchange transactions. Under the current PRC foreign exchange control system, foreign exchange transactions under the Group's current account do not require prior approval from SAFE, but the Group is required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks. Foreign exchange transactions under the capital account conducted by the Group, however, must be approved in advance by SAFE or registered with SAFE upon approval of other competent authorities, including NDRC and the Ministry of Commerce of the PRC.

In addition, the Group's functional currency is Renminbi. The value of the Renminbi against the U.S. 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 U.S. dollar and certain other foreign currencies may adversely affect the Group's business, results of operations and financial condition.

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 and any amounts received from the sale of such 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. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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.

Ratings of the Notes may not reflect all risks and may be changed at any time, which may adversely affect the value of the Notes.

The Notes are expected to be assigned a rating of “BBB-” by Fitch. One or more independent credit rating agencies may assign credit ratings to an issue of the Notes. The ratings represent the opinion of the respective rating agency and their assessment of the ability of the Issuer to perform its obligations under the Notes, the Trust Deed and the Agency Agreement and credit risks in determining the likelihood that payments will be made when due under the Notes. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. The ratings are not recommendations to buy, sell or hold the Notes and may be subject to revision, qualification, suspension, reduction or withdrawn at any time. There can be no assurance that the ratings assigned to any Notes will remain in effect for any given period or that the ratings will not be lowered, suspended or withdrawn by the rating agencies in the future if, in their judgment, the circumstances so warrant. None of the Issuer, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them is obliged to inform holders of the Notes of any such suspension, revision, downgrade or withdrawal. A revision, qualification, suspension or withdrawal at any time of any rating assigned to the Notes may adversely affect the market price of the Notes and the Issuer’s ability to access the debt capital markets.

The Notes being issued as “sustainability notes” may not be a suitable investment for all investors seeking exposure to green assets.

The Issuer has developed its sustainability finance framework (the “**Sustainability Finance Framework**”) and intends to issue the Notes as “sustainability notes” in accordance with the Sustainability Finance Framework. See the section entitled “Sustainability Finance Framework”. The Issuer has respectively received from each of Sustainable Fitch and Lianhe Green Development an independent opinion (the “**Second-Party Opinions**”) confirming that the Sustainability Finance Framework is in alignment with the Sustainable Bond Principles. With respect to loans, loans borrowed under this Sustainability Finance Framework will be aligned with the Sustainable Loan Principles. The

Sustainable Bond Principles and the Sustainable Loan Principles are sets of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the sustainable notes and sustainable loans market.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as “green” or “social”, and therefore no assurance can be provided to potential investors that the relevant Eligible Projects (as defined in the Sustainability Finance Framework) will meet or continue to meet the relevant eligibility criteria. Although applicable green or social projects are expected to be selected in accordance with the categories recognised under the Sustainable Bond Principles and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impact will not occur during the design, construction, commissioning and/or operation of any such green or social projects. Where any negative impact is insufficiently mitigated, green or social projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

The Second-Party Opinions are not incorporated into, and do not form part of, this Offering Circular. None of the Issuer or the Joint Lead Managers makes any representation as to the suitability of the Second-Party Opinions. The Second-Party Opinions are not, and should not be deemed to be, a recommendation to buy, sell or hold the Notes and is only current as at the date that the Second-Party Opinions were initially issued, and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Furthermore, the Second-Party Opinions are for information purpose only and none of the Issuer, the Joint Lead Managers or the Second-Party Opinions providers accept any form of liability for the substance of the Second-Party Opinions and/or any liability for loss arising from the use of the Second-Party Opinions and/or the information provided in them. A withdrawal of either of the Second-Party Opinions may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. Prospective investors must determine for themselves the relevance of the Second-Party Opinions and/or the information contained therein and/or the Second-Party Opinions providers for the purpose of any investment in the Notes.

Whilst the Issuer has agreed to certain obligations relating to reporting and/or use of proceeds as described under the sections entitled “Use of Proceeds” and “Sustainability Finance Framework”, it would not be an Event of Default under the Terms and Conditions of the Notes if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds of the issue of the Notes in the manner specified in this Offering Circular and/or (ii) the Second-Party Opinions issued in connection with such Notes were to be withdrawn. Any failure to use the net proceeds of the issue of the Notes in connection with Eligible Green Projects or Eligible Social Projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to such Notes, may affect the value and/or trading price of such Notes, and/or may have consequences for certain investors with portfolio mandates to invest in sustainable projects. In the event that the Notes are included in any dedicated “green”, “environmental”, “social”, “sustainable” or other equivalently-labelled index, no representation or assurance is given by the Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates. None of the Issuer or the Joint Lead Managers makes any representation as to (i) whether the Notes will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors, (ii) whether the net proceeds will be used in the manner as described in the sections entitled “Use of Proceeds” and “Sustainability Finance Framework”, or (iii) the characteristics of Eligible Green Projects or Eligible Social Projects, including their relevant environmental and sustainability criteria. The Joint Lead Managers have not undertaken, nor are responsible for, any assessment of the eligibility of any projects or assets within the definition of Eligible Green Projects or Eligible Social Projects or the monitoring of the use of proceeds from the offering of the Notes. Each potential investor of the Notes should have regard to the relevant projects

and eligibility criteria described under the section entitled “Sustainability Finance Framework”. Each potential investor of the Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds, and its purchase of any Notes should be based upon such investigation as it deems necessary.

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.

The NDRC issued the NDRC Administrative Measures on 5 January 2023, which came into effect on 10 February 2023 and replaced the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) issued by the NDRC on 14 September 2015 which came into effect on the same day. According to the NDRC Administrative Measures, domestic enterprises and their overseas controlled entities or branches shall procure the registration of any debt securities issued outside the PRC with a maturity not less than one year with the NDRC prior to the issue of the securities. The NDRC Administrative Measures stipulates that an enterprise shall, before borrowing a foreign debt, obtain the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises (企業借用外債審核登記證明) and complete examination and registration. According to the NDRC Administrative Measures, if the enterprise fails to report relevant information within the prescribed timeframe after borrowing a foreign debt, the NDRC shall order the enterprise to make correction within a time limit; and if the circumstance is serious or if the correction is not made within the time limit, the NDRC shall give a warning to the relevant enterprise and its main responsible persons. As the NDRC Administrative Measures is relatively new and lacks interpretation and guidance, in the worst-case scenario, such non-compliance with the post-issuance notification requirement under the NDRC Administrative Measures may result in it being unlawful for the Issuer to perform or comply with any of its respective obligations under the Notes or the Terms and Conditions. Potential investors of the Notes are advised to exercise due caution when making their investment decisions.

The Issuer has completed the Pre-Issuance Registration with the NDRC and obtained a Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises (企業借用外債審核登記證明) dated 12 July 2024. 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 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 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 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 its best endeavours, the Issuer 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 will govern the Notes may adversely affect holders of the Notes.

The Terms and Conditions will be 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 will be governed by English law, whereas parties to these documents will submit 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.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排)(the “**2019 Arrangement**”). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Mainland, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the “**Judicial Interpretation**”). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

Unlike other notes issued in the international capital markets where holders of such notes would typically not be required to submit to an exclusive jurisdiction, the Noteholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Thus, the Noteholders' ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the Mainland consider that the enforcement of such judgment is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland. While it is expected that the relevant People's Courts of the Mainland will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

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

The Notes will be 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 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 will solely 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 5.40 per cent. Notes due 2027 (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 7 February 2024. The Notes are constituted by a Trust Deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated 5 November 2024 (the “**Issue Date**”) made between the Issuer and China CITIC Bank 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 the Trust Deed. Copies of the Trust Deed and the agency agreement dated 5 November 2024 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) made between the Issuer, the Trustee, China CITIC Bank International Limited as the registrar (the “**Registrar**”, which expression shall include its successor(s)), as transfer agent (the “**Transfer Agent**”, which expression shall include its successor(s)) and 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 are available to Noteholders (i) for inspection during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time), Monday to Friday except for public holidays) at the specified office for the time being of the Principal Paying Agent, being at the date of issue of the Notes at 80/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent or (ii) electronically from the Principal Paying Agent, following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent. 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 are deemed to have notice of those provisions of the Agency Agreement applicable to them.

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

1 FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (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 represented 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 may reasonably require or as any Agent may 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 in Condition 4.5) 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 in Condition 4.5), 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:

- (a) the Issuer will furnish the Trustee within 14 days of any request by the Trustee and also within 150 days after the end of each financial year of the Issuer for the time being (which is, at the Issue Date, 31 December) with a Compliance Certificate (as defined in Condition 4.5) in accordance with the Trust Deed, on which the Trustee may rely conclusively as to such compliance without liability to any Noteholder or any other person, and the Issuer shall prepare and provide to the Trustee and make available for inspection by any Noteholder within 150 days after the end of each financial year of the Issuer 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 in Condition 4.5), 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 in any such case with a certificate in the English language signed by an Authorised Signatory (as defined in the Trust Deed) certifying that such translation is complete and accurate (on which certificate the Trustee may conclusively rely without liability to any Noteholder or any other person); and

- (b) the Issuer shall prepare and provide to the Trustee and make available for inspection by any Noteholder within 90 days after the end of each financial half-year of the Issuer 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 (if any)), prepared in accordance with generally accepted accounting principles applicable to enterprises established in the PRC (together with any relevant review report available 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 in any such case with a certificate in the English language signed by an Authorised Signatory certifying that such translation is complete and accurate (on which certificate the Trustee may conclusively rely without liability to any Noteholder or any other person).

4.3 Notification to NDRC

So long as any Note remains outstanding, 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 the prescribed timeframes after the Issue Date in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC and which came into effect on 10 February 2023 (the “**NDRC Administrative Measures**”), and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, including but not limited to the NDRC Post-issue Filing (as defined in Clause 4.5).

The Issuer shall within five PRC Business Days (as defined in Clause 4.5) 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 or duty to monitor or ensure (or otherwise assist with) the submission or 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 certificates, confirmations, information, evidence or documents in relation to or in connection with the NDRC Post-issue Filing or of any matters or facts stated therein or to translate or procure the translation into English of any certificate, confirmation, information, evidence or document referred to above which is in the Chinese language or to verify the accuracy of any English translation of any certificate, confirmation, information, evidence or document, or to give notice to the Noteholders confirming the submission of 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 (as defined in Clause 4.5) after the Issue Date, register or cause to be registered with SAFE (as defined in Clause 4.5) the Notes pursuant to the Administrative Measures for Foreign Debts 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 record from SAFE (or any other document evidencing the completion of registration issued by SAFE), (i) provide the Trustee with (A) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory confirming the completion of the SAFE Registration and (B) copies of the relevant documents evidencing the SAFE Registration, each certified in English by an Authorised Signatory as a true and complete copy of the original (the items specified in (i)(A) and (i)(B) of this Condition 4.4 together, the “**Registration Documents**”), and (ii) 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 (or otherwise assist with) the submission or completion of the SAFE Registration on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any certificates, confirmations, information, evidence or documents in relation to or in connection with the SAFE Registration or of any matters or facts stated therein or to translate or procure the translation into English of any certificate, confirmation, information, evidence or document referred to above which is in the Chinese language or to verify the accuracy of any English translation of any certificate, confirmation, information, evidence or document, 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 certifying 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;

“**NDRC Post-issue Filing**” means the filing with the NDRC of the requisite information and documents in respect of the issue of the Bonds within ten PRC Business Days after the Issue Date pursuant to the NDRC Administrative Measures;

“**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, (i) 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 (ii) 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 5 November 2024 at the rate of 5.40 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$27.0 per Calculation Amount (as defined below) on 5 May and 5 November in each year (each an “**Interest Payment Date**”). The first payment (representing a full six months’ interest) (for the period from and including 5 November 2024 to but excluding 5 May 2025) shall be made on 5 May 2025.

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 in Condition 6.7) 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, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

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.

6.4 Payment on Business Days

Payment instructions (for value the due date or, if that is not a Business Day (as defined in Condition 6.7), 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 Hong Kong 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 5 November 2027 (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 30 October 2024 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) and to the Trustee and the Principal Paying Agent in writing, 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 stating that the requirement referred to in (a) above of this Condition 7.2 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 (but shall not be obliged) to accept such certificate and opinion as sufficient evidence (without further investigation or query and without liability to the Noteholders or any other person) 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 interest accrued 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 representing 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 and the Agents shall not be required to take any steps to ascertain whether a Change of Control or a No Registration Event or any event which could lead to the occurrence of a Change of Control or a No Registration Event has occurred or may occur.

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 7.3 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).

So long as the Notes are represented by the Global Certificate, a holder’s right to redemption of the Notes following the occurrence of a Relevant Event will be effected in accordance with the rules and procedures of the relevant clearing systems.

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 (in this Condition 8, "**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf 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 30 October 2024 (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 in Condition 8.2) 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.

Neither the Trustee nor any Agent shall be responsible for paying any Taxes, set-off, counterclaim, withholding, deduction or other payment referred to in this Condition 8 or in connection with the Notes or for determining whether such amounts are payable or the amount thereof, and none of

them shall be responsible or liable for any failure by the Issuer or the Noteholders or any other person to pay such Taxes, withholding, deduction or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Notes in connection with payment of such Taxes, withholding, deduction or other payment, including without limitation any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any Taxes, withholding, deduction or other payment imposed by or in any jurisdiction.

8.2 Interpretation

In these Conditions, “**Relevant Date**” in respect of any Note means the date on which the payment in respect of it first becomes due or, if any amount of the money payable is improperly withheld or refused, it means the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after the date on which notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13, provided that payment is in fact made upon such surrender.

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 8 or any additional amounts which may be payable under any undertakings given in addition to, or in substitution for, this Condition 8 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 25 per cent. 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 (the “**Events of Default**” and each an “**Event of Default**”) occurs:

- (a) **Non-Payment:** 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) **Breach of Other Obligations:** 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 in the opinion of the Trustee the failure is 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) **Cross-default:** (i) any Indebtedness for Borrowed Money (as defined in Condition 10.2) 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 Condition 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 of this Condition 10.1(c) which have occurred, amounts to at least U.S.\$30,000,000 (or the equivalent thereof in any other currency); or
- (d) **Winding-up:** 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 acting on 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) **Cessation of business:** 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 acting on 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) **Security Enforced:** 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) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Issuer or any of the Issuer's Principal Subsidiaries and is not discharged or stayed within 45 days; or
- (h) **Insolvency:** the Issuer or any of the Issuer's Principal Subsidiaries is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt, or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a

particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or any substantial part of its debts; or

- (i) **Nationalisation:** 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) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer 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) **Illegality:** 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) **Analogous Events:** 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 Conditions 10.1(d) to 10.1(i) (both inclusive) above.

The Trustee and the Agents shall have no obligation to monitor compliance with the Trust Deed, the Agency Agreement or these Conditions and none of them shall be required to take any steps to ascertain whether an Event of Default or any Potential Event of Default has occurred or may occur and none of them shall be responsible or liable to the Noteholders, the Issuer or any other person for any loss arising from any failure to do so.

10.2 Interpretation

For the purposes of these Conditions:

"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); and

"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 of the Issuer signed by an Authorised Signatory, whether or not addressed to the Trustee, certifying that in the opinion of the Issuer, 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 without liability to the Noteholders or any other person 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 steps and/or action (including without limitation 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 and/or steps and/or action in relation to the Trust Deed or the Notes unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes then outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

11.2 The Trustee may refrain from taking any proceedings and/or steps and/or action in any jurisdiction if the taking of such proceedings and/or steps and/or action in that jurisdiction would, in its opinion (which may be 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 proceedings and/or steps and/or action if, in its opinion, it would otherwise render it liable to any person in that jurisdiction or if, in its opinion (which may be based upon legal advice in the relevant jurisdiction), 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 (a) to take any proceedings and/or steps and/or action directly against the Issuer to enforce the performance of any of the provisions of the Trust Deed or the Notes or (b) take any other proceedings (including lodging an appeal in any proceedings) and/or steps and/or action in respect of or concerning the Issuer, in each case unless the Trustee, having become bound so to take any proceedings and/or steps and/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, indemnity, security, pre-funding and otherwise as the Issuer may reasonably require or the Registrar may 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 the Conditions and shall be deemed to have been given on the date of delivery to such clearing system(s).

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 without limitation 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. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee following request in writing from Noteholders holding not less than 10 per cent. in aggregate principal amount of the Notes for the time being outstanding (as defined in the Trust Deed) and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction. 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, unless the

business of such meeting includes consideration of proposals, *inter alia*, (a) to modify the Maturity Date of the Bonds or the dates on which interest is payable in respect of the Bonds, (b) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (c) to change the currency of payment of the Bonds, or (d) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 66 2/3 per cent., or at any adjourned such meeting not less than 25 per cent., 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 75 per cent. of the votes cast on such resolution, (ii) in writing signed by or on behalf of the holders of not less than 75 per cent. 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 75 per cent. 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 (a) 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 (b) 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 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 on behalf of any Noteholder, 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 OTHER PROVISIONS

15.1 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including (a) provisions relieving it from taking and/or instituting proceedings and/or steps and/or action unless indemnified and/or secured and/or prefunded to its satisfaction and (b) provisions limiting or excluding its liability in certain circumstances, and to be paid its fees, costs, expenses, indemnity payments and other amounts in priority to the claims of the Noteholders. 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 to be paid or provided in advance and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

15.2 Other Protections

The Trustee and the Agents may rely without liability to Noteholders, the Issuer or any other person on any report, confirmation, certificate or information from or any advice or opinion of any legal counsel, accountants, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee, any Agent or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise and, in such event, such report, confirmation, certificate, information, advice or opinion shall be binding on the Noteholders. None of the Trustee or the Agents shall be responsible or liable to the Issuer, the Noteholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, confirmation, certificate, information, advice or opinion.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions or by law to exercise any discretion or power, take or refraining from any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking or refraining from any such action, making any such decision or giving any such direction or certification, to seek directions from the Noteholders by way of Extraordinary Resolution or clarification of any directions, and the Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from such action, making such decision or giving such direction or certification as a result of seeking such direction or clarification from the Noteholders or in the event that no direction or clarification is given to the Trustee by the Noteholders. None of the Trustee or any of the Agents shall be liable to any Noteholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with any direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding (as defined in the Trust Deed) or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and/or any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. Neither the Trustee nor any of the Agents shall be under any obligation to

ascertain whether any Event of Default, Potential Event of Default or Relevant Event has occurred or to monitor compliance by the Issuer with the provisions of the Trust Deed, the Agency Agreement or these Conditions.

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

15.3 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 (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 which are to form a single series with the outstanding Notes shall be constituted by a deed supplemental to the Trust Deed.

17 CURRENCY INDEMNITY

The 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. dollars (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 the Trustee or 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/or 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 17, 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 or the Trustee 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, the 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 an agent for service of process in Hong Kong (the “**Process Agent**”) in respect of any Proceedings.

If for any reason the Process Agent 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 Process Agent ceasing to be such agent for service of process. The Issuer agrees that failure by a process agent to notify it of any service or 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 and is without prejudice to the rights of the Noteholders as set out in Condition 11.3.

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, 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 operating 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 consolidated total indebtedness (both short-term and long-term portions) and total capitalisation of the Issuer as at 31 December 2023:

- (i) on an actual basis, and
- (ii) on an adjusted basis to give effect to the issue of the Notes before deducting the commissions and other estimated expenses payable in connection with the offering of the Notes.

The summary consolidated financial information below should be read in conjunction with the Issuer's audited consolidated financial statements as at and for the year ended 31 December 2023 and the notes thereto included elsewhere in this Offering Circular.

	As at 31 December 2023			
	Actual		As adjusted	
	(RMB'000)	(U.S.\$'000)	(RMB'000)	(U.S.\$'000)
Current indebtedness				
Short-term loans	16,198,958	2,287,116	16,198,958	2,287,116
Non-current liabilities due within one year	25,318,059	3,574,634	25,318,059	3,574,634
Other current liabilities ⁽¹⁾	3,220,257	454,665	3,220,357	454,679
Total Current indebtedness	44,737,274	6,316,415	44,737,274	6,316,415
Non-current indebtedness⁽²⁾				
Long-term borrowing	28,887,400	4,078,586	28,887,400	4,078,586
Bonds payable	14,158,672	1,999,050	14,158,672	1,999,050
Lease liabilities	169,205	23,890	169,205	23,890
Long-term payables ⁽³⁾	5,777,800	815,762	5,777,800	815,762
Bonds to be issued ⁽⁴⁾	—	—	3,194,955	450,000
Total non-current indebtedness	48,993,077	6,917,288	52,188,032	7,367,288
Total indebtedness⁽⁵⁾	93,730,351	13,233,703	96,925,306	13,683,703
Total owners' equity	33,909,550	4,787,659	33,909,550	4,787,659
Total capitalisation⁽⁶⁾	127,639,901	18,021,362	130,834,856	18,471,362

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 the sum of short-term indebtedness and long-term indebtedness.
- (6) Total capitalisation equals the sum of total indebtedness and total owners' equity.

Since 31 December 2023, the Group has incurred additional indebtedness to replenish its working capital, to finance its business development and for other general corporate purposes. In particular, since 31 December 2023, the Group has issued debt instruments, including but not limited to short-term corporate bonds, private placement notes and medium-term notes, with an aggregate principal amount of approximately RMB10.43 billion in domestic capital market in the PRC.

Except as otherwise disclosed above, there has been no material change in the total capitalisation and indebtedness of the Issuer since 31 December 2023.

SUSTAINABILITY FINANCE FRAMEWORK

Business Overview

WUHAN FINANCIAL HOLDINGS (GROUP) CO., LTD. (武漢金融控股(集團)有限公司) (hereinafter referred to as “WFH” or “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 center 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 favorable business policies promulgated by the Wuhan Municipal Government. It has domestic credit rating of AAA, international credit rating of BBB- (Fitch), and has a profound strategic position in regional economic development.

Sustainability Commitment at WFH

In accordance with the State Council’s overall guidance on green development and the national “14th Five-Year” Strategic Plan of “Environmental Protection and Development of Low-Carbon Economy”, the Group is committed to ensuring that its economic performance is conducive to the sustainable development of the environment and society. The Group regards sustainable development as its business foundation and ensures that its economic development is beneficial to the environment and society. The Group adheres to a positive sense of environmental and social responsibility, and integrates the spirit of sustainability into its rules, regulations and business development plans. The Group actively integrates sustainability into the economic development of Wuhan and is committed to making contributions not only in the traditional fields of renewable energy and clean transportation, but also in social projects.

Strictly abiding by Corporate Law of the People’s Republic of China, WFH has established a robust governance structure, strict risk management, control process, and continuously promote transparency and corporate governance to improve value and guarantee the interests of related parties.

Besides, WFH is aware of environmental and social impacts of all the projects under construction and involved in research and constant innovation in sustainable infrastructure.

In order to have an enhanced dialogue with diversified investors, the Group’s Sustainable Finance Framework will be an opportunity to emphasize the Group’s core strategy in terms of sustainable development and will also help ensure the State Council and national vision of sustainable development is fulfilled.

WFH’s environmental and social commitments include, but not limited to:

- **Development of renewable energy:** the Group promotes the utilization of renewable energy, drives the development of clean energy, and contributes to achieving energy transition and reducing reliance on traditional energy sources.
- **Clean Transportation:** Promote the use of new energy buses and complete the leasing of new energy ride-hailing vehicles.
- **Provision inclusive loans and finance to Micro and Small Enterprises**
- **Food security and sustainable food system**

1. Framework Overview

This Sustainable Finance Framework (“**the framework**”) has been developed to demonstrate how WFH could fund green and social financing transactions (“**Green and Sustainable Financing Transactions**”, or “**the transactions**”) of new and existing projects that deliver positive environmental impacts and foster sustainable practices.

The framework sets out how WFH intends to issue bonds, loans or other financing structures tailored to contribute to green and sustainable development by application of the proceeds to Eligible Projects as defined in this Framework.

- With respect to bonds, bonds issued under the framework will be in alignment with the International Capital Market Association (“**ICMA**”) 2021 Green Bond Principles (GBP) (with June 2022 Appendix I), 2023 Social Bond Principles (SBP) and 2021 Sustainability Bond Guidelines (SBG), and the Green Bond Endorsed Projects Catalogue (2021 Edition) jointly announced by the People’s Bank of China (“**PBOC**”), the National Development and Reform Commission (“**NDRC**”) and the China Securities Regulatory Commission (“**CSRC**”) or as they may be subsequently amended.
- With respect to loans, loans issued under the framework will be in alignment with the 2023 Green Loan Principles (GLP) and 2023 Social Loan Principles (SLP) published by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), or as they may be subsequently amended.
- Other forms of financing may conform to other sustainable or green finance principles as may have been established at the time of such financing transaction being undertaken.

The Framework is presented through the following key pillars:

- Use of Proceeds
- Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The framework does not place restriction on the tenor and currency, and can include other terms and conditions including covenants, to reflect the financing strategy and plans of WFH as well as the outcome of the commercial discussions between the Issuer/Borrower and Manager/Arranger/Lender. The framework may be done in any jurisdiction and market reflecting WFH’s current and future business needs.

1.1 Use of Proceeds

1.1.1 Eligible Projects

The net proceeds under the framework will be used exclusively to fund or refinance, in whole or in part, new or existing eligible projects that meet one or more of the following categories of eligibility in Table 1 and/or Table 2. WFH has also identified how each of the eligible green and social category is contributing to the targets of the United Nations Sustainable Development Goals (SDGs).

Refinancing of Eligible Projects will have a look-back period of no longer than 36 months from the time of issuance. WFH will strive to fully allocate the net proceeds of each Sustainability Financing Transactions within 24 months of issuance.

Each project category contributes to at least one of GBP's environmental objectives and supports relevant United Nations' (U.N.) Sustainable Development Goals (SDGs) and their associated targets.

The framework lists the environmental objectives in which the eligible categories support, including climate change mitigation, environmental protection, pollution prevention, marine protection and restoration, etc.

Table 1:Eligible Green Project

Project Category	UN SDG	Eligible Green Assets and Projects for WFH	Sample Projects
Renewable Energy		- Leasing, investment, acquisition, and expenditures related to design, manufacture, construction, installation, and operation of 1) Residential distributed photovoltaic power stations 2) Commercial photovoltaic power stations 3) Energy Storage	1) Utilize the idle resources of existing family buildings, such as roofs, eaves, courtyards, etc., to install and use photovoltaic power generation systems. This has been one of the green and clean energy sources that the country has vigorously advocated in recent years. The group has currently established the residential “頂好惠民” brand. 2) Utilize idle rooftops of industrial plants, commercial buildings, and public structures with independent property rights to construct photovoltaic power stations. This is an important direction for the future development of photovoltaics. It can not only help businesses reduce operational costs but also establish a good green environmental image, earning more praise and social recognition. The group has currently established the commercial “頂好惠企” brand. 3) The group has extensively deployed in the field of energy storage, deeply cooperating with upstream manufacturers, and combining with the actual electricity needs of the owners, it is applied to commercial and residential energy storage projects. By integrating with photovoltaic business, it effectively achieves electricity cost savings for users and electricity supply in off-grid areas. With the continuous optimization and improvement of energy storage products, photovoltaic + energy storage will become a strong support for carbon peak and carbon neutrality.
		GBP environmental objectives: Climate change mitigation, pollution prevention and control.	

Project Category	UN SDG	Eligible Green Assets and Projects for WFH	Sample Projects
Clean Transportation		- Leasing, investment, acquisition, and expenditures related to design, manufacture, construction, installation, and operation of 1) new energy vehicles (i.e. electric buses, electric taxis, electric ride-hailing services, electric trucks, etc.), hybrid vehicles, and 2) related infrastructure such as electric vehicle charging stations. GBP environmental objectives: Climate change mitigation, pollution prevention and control.	- Promoting new energy buses in the city with the “double lease” (financial leasing + operating leasing) business model, 96 locations with 130 bus charging stations have been completed, with a total installed capacity of 160,015KVA, making an important contribution to the new energy of Wuhan buses. - The company mainly engaged in the investment, construction, and operation of new energy vehicle charging facilities. The company is based in Wuhan and faces Hubei, building new energy vehicle charging stations in the provinces and various local governments throughout the province for government agencies, enterprises and institutions, commercial outlets, communities, and all kinds of special parking lots and public parking lots.
			

Table 2: Eligible Social Projects

Project Category	UN SDG	Eligible Social Assets and Projects for WFH	Sample Projects
Provision of inclusive financing to Micro and Small Enterprises		- Provision of inclusive financing¹ to micro and small enterprises² - E.g. loans, guarantee business, insurance business, etc. - Indirect Employment Generation through the Provision SBP social objectives: Make cities and human settlements inclusive, safe, resilient and sustainable.	Sample of WFH's existing social projects: Under financing guarantee business, it continues to promote business development, reduces the burden on micro and small enterprises, and stimulates market vitality.

¹ For definition of “Inclusive Financing”, please refer to 《中國人民銀行關於對普惠金融實施定向降准的通知》（銀髮[2017]222號） for details: <http://www.pbc.gov.cn/zhengwugongkai/4081330/4406346/4693549/4085607/index.html>

² “Micro and Small Enterprises” refer to the definition of micro and small enterprises as defined by the China National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Commerce and the National Bureau of Statistics, for details, please refer to: https://www.gov.cn/zwgk/2011-07/04/content_1898747.htm

Project Category	UN SDG	Eligible Social Assets and Projects for WFH	Sample Projects
Food security and sustainable food systems		- Food security and sustainable food systems - e.g. physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements; - resilient agricultural practices; - reduction of food loss and waste;	- The project, named Wuhan City Grain Emergency Protection Center Project, is a key node engineering project for the grain emergency supply network of Wuhan City. - To ensure the requirements of national economic and people's livelihood, taking the protection of national grain security as the bottom line, and improve the agricultural support and protection system. - The construction of this project is an important measure to implement the planning requirements of Hubei Province and Wuhan City's "14th Five-Year Plan" and a key construction project to ensure people's livelihood.
		SBP social objectives: Make cities and human settlements inclusive, safe, resilient and sustainable.	
			
			

1.1.2 Exclusion Criteria

In any case, eligible assets excludes the type of the activities listed in the International Finance Corporation (IFC) Exclusion List:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial.
- Production or trade in unbonded asbestos fibers.
- Drift net fishing in the marine environment using nets in excess of 2.5km. in length.
- Production or trade in fossil fuel.

1.2 Process for Project Evaluation and Selection

The Eligible Projects are identified and selected via a process that involves participants from various functional areas. A Green and Sustainable Working Group (“GSWG”) comprises of the senior representatives from the below departments:

- Financial Management Division;
- Investment Division;
- General Department;
- Project Division; and
- Discipline Inspection and Supervision Office;

GSWG will identify and manage the social and environmental risks related to eligible green or social projects based on government’s approval and the feasibility analysis. GSWG will meet at least every 12 months to discuss and select eligible projects according to the Eligible Projects definition of this Framework. The shortlisted projects will be presented to Board of directors for approval.

GSWG will ensure that the selected Eligible Project to comply not only with the section of Use of Proceeds but also refer to the environmental and other corporate guidelines which are applicable within WFH, e.g. Green Building Evaluation Standard, Guidance on social responsibility (GB/T36000-2015) etc. In addition, GSWG will be responsible for managing any future updates of the Framework, including any expansion of requirements of use of proceeds.

1.3 Management of Proceeds

The net proceeds from each issuance will be managed by WFH’s financial management team and the proceeds of each issuance will be deposited in the general funding accounts. WFH will maintain a register to keep track of the use of proceeds for each issuance. The register will contain the following information including:

- (1) Type of Funding Transaction: key information including issuer/borrower entity, transaction date, number of transactions, principal amount of proceeds, repayment or amortization profile, maturity date, interest or coupon, and the ISIN number in case of bond transaction.
- (2) Allocation of Use of Proceeds: key information includes
 - Name and description of Eligible Projects to which the proceeds of the transaction have been allocated in accordance with the Framework
 - Amount of the transaction proceeds allocated to each Eligible Project
 - The balance of unallocated proceeds
 - Information of temporary investment for unallocated proceeds

WFH is committed to allocating all proceeds from the issuance to Eligible Projects on a best effort basis within 2 year of the issuance in accordance with the evaluation and selection process set out above.

Pending allocation, the net proceeds from the issuance will be held in accordance with WFH's liquidity guidelines for short term time deposits or investments, or used to repay existing borrowings within WFH.

During the life of the transaction, if the designated projects cease to fulfill the Eligibility Criteria, the net proceeds will be re-allocated to replacement projects that comply with the Eligibility Criteria, as soon as reasonably practicable.

1.4 Reporting

WFH will provide information on the allocation of the net proceeds of its transactions in WFH's website. Such information will be provided on an annual basis until all the net proceeds have been allocated. The information will contain at least the following details.

(1) Allocation reporting

WFH will provide the following information for the net proceeds of all the transactions during the period:

- A brief description of the projects
- The aggregate amount allocated to various Eligible Projects
- Percentage of financing vs. refinancing
- Associated target population
- The remaining balance of funds which have not yet been allocated and type of temporary investment

(2) Impact Reporting

Where possible, WFH will report on the environmental and social impacts of the Eligible Projects. And the group commits to disclosing the expected and actual impact of projects when data is available. Subject to the nature of Eligible Projects and availability of information, WFH will include, but not limited to, the following Impact Indicators:

Eligible Green Project Categories	Impact Indicators
Renewable Energy	• Annual renewable energy generation (GWh for electricity and GJ for other energy) • Annual GHG emissions reduced/avoided in tons of CO2 equivalent
Clean Transportation	• Number of clean vehicles deployed (e.g. electric) • Number and type of clean transportation infrastructure built • Amount of harmful emissions³ when compared with conventional vehicles • Amount of CO2 avoided due to EVs when compared with conventional vehicles • Reduction of air pollutants

³ Toxic, or hazardous, air pollutants cause or are suspected of causing serious harms. They can be gases, like hydrogen chloride, benzene or toluene, dioxin, etc.

Eligible Social Project Categories	Impact Indicators
Provision of inclusive financing to Micro and Small Enterprises	• Number of loans disbursed to qualifying Micro and Small Enterprises • Number of guaranteed services disbursed to qualifying Micro and Small Enterprises • Number of employment opportunities created
Food security and sustainable food systems	• The designed annual grain handling capacity • Per capita available food quantity

2. External Review

WFH will engage a third party to evaluate the alignment of Sustainable Finance Framework, and fulfillment with the Green Bond Principles, Green Loan Principles, Social Bond Principles, Social Loan Principles, and Sustainability Bond Guidelines. The assessment result documents will be available on WFH's website.

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 controlled 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 2021, 2022 and 2023, the Group's total operating income was RMB52,675 million, RMB59,853 million and RMB80,740 million, respectively, and its gross operating profit was RMB7,503 million, RMB7,155 million and RMB5,998 million for the same periods. With such 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) electronics and chemical, 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). For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from this business sector was RMB6,704 million, RMB7,320 million and RMB5,938 million, respectively, representing 12.7 per cent., 12.2 per cent. and 7.4 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 trading of supply chain commodities including cold chain commodities, metals, grain and grain products and wood and (ii) the trading of passenger vehicles. For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from this business sector was RMB34,632 million, RMB43,037 million and RMB65,982 million, respectively, representing 65.7 per cent., 71.9 per cent. and 81.7 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 2021, 2022 and 2023, the Group's operating income from this business sector was RMB5,017 million, RMB3,968 million and RMB3,771 million, respectively, representing 9.5 per cent., 6.6 per cent. and 4.7 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. For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from this business sector was RMB1,205 million, RMB376 million and RMB530 million, respectively, representing 2.3 per cent., 0.6 per cent. and 0.7 per cent. of its total operating income for the same periods.
- **Electronics and chemicals.** The Group commenced its electronics and chemicals business, which primarily produces semiconductors and basic chemical raw materials, after its acquisition of Hangjin Technology (stock code: 000818.SZ) in 2021. For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from this business sub-sector was RMB4,094 million, RMB4,292 million and RMB3,668 million, respectively, representing 7.8 per cent., 7.2 per cent. and 4.5 per cent. of its total operating income for the same periods.
- **Others.** The Group also engages in other businesses, including (i) photovoltaics service business, (ii) new energy vehicles leasing business, (iii) security escort services and (iv) industrial investment and operation. For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from other businesses was RMB1,023 million, RMB860 million and RMB851 million, respectively, representing 1.9 per cent., 1.4 per cent. and 1.1 per cent. of its total operating income for the same periods.

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					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Financial services sector	6,704	12.7	7,108	12.2	5,938	7.4
Industrial sector	45,971	87.3	52,533	87.8	74,802	92.6
Commodity trading	34,632	65.7	43,037	71.9	65,982	81.7
Integrated logistics services	5,017	9.5	3,968	6.6	3,771	4.7
Real estate	1,205	2.3	376	0.6	530	0.7
Electronics & chemicals	4,094	7.8	3,292	7.2	3,668	4.5
Others	1,023	2.0	860	1.5	851	1.0
Operating income	52,675	100.0	59,853	100.0	80,740	100.0

Gross operating profit

	For the year ended 31 December					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Financial services sector	5,063	67.5	5,335	74.6	3,785	63.1
Industrial sector	2,440	32.5	1,820	25.4	2,213	36.9
Commodity trading	304	4.0	419	5.9	782	13.0
Integrated logistics services	410	5.5	320	4.5	268	4.5
Real estate	206	2.7	110	1.5	234	3.9
Electronics & chemicals	1,125	15.0	718	10.0	685	11.4
Others	395	5.3	253	3.5	244	4.1
Gross operating profit	7,503	100.0	7,155	100.0	5,998	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:

Multi-faceted Support from the Wuhan Municipal Government for High-Quality Development

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 2023 Wuhan Statistical Yearbook, the financial industry accounted for approximately 10.2 per cent. of the city's gross domestic product for 2022, with Wuhan ranking first in the Central China region in terms of overall competitiveness as a financial centre and ten among all cities in the PRC. According to the 2023 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 RMB8,000 billion and RMB7,400 billion as at 31 December 2022, representing an increase of 9.8 per cent. and 10.5 per cent., compared to as at 31 December 2021. 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 2005, the Wuhan 11th Five-Year Plan and the Notice (Wu Ban Wen (2005) No. 28) issued by the Wuhan Municipal Government outlined support for the Group in expanding its financial operations and set forth a strategic vision for the Group to establish itself in Wuhan, serve the central region of China, and grow its financial presence nationwide;
- in 2014, The Wuhan Regional Financial Centre Development Plan (2014-2030) (武漢區域金融中心建設總體規劃2014-2030年) identified the Group as a key player in developing a robust financial holding group to accelerate the establishment of a regional financial centre along the middle reaches of the Yangtze River. The plan's primary objectives included creating a headquarters-based financial system, filling financial gaps, leveraging the Group's capital strength to attract talent, nurturing innovative financial models, and enhancing the local financial market structure to promote the growth of Wuhan's financial industry;

- in 2020, in accordance with the Notice of the Issuing of the Implementation Plan of the Reform of Certain Municipal State-owned Enterprises (關於印發部分市屬出資企業整合重組工作實施方案的通知)(Wu Ban Wen (2020) No. 31) and the Implementation Plan for Deepening Reform of Wuhan State-Owned Financial Enterprises (關於深化武漢國有金融企業改革的實施方案) issued by the Wuhan Municipal Party Committee and the Wuhan Municipal Government, as well as, the reform plan covered three key entities: the Group, Hankou Bank Co., Ltd., and Wuhan Rural Commercial Bank Co., Ltd. The Group was assigned to oversee the business operations of both Hankou Bank (漢口銀行) and Wuhan Rural Commercial Bank (武漢農村商業銀行); and
- in 2021, the Wuhan SASAC formally approved the Issuer's core businesses as: (1) investment and management in the financial industry, and (2) investment and management in industrial sectors (which include, among others, leasing and commerce and trading services, strategic new emerging industries, high-technology industry and major industrial projects).

The Group has received financial support from the Wuhan Municipal Government and Wuhan SASAC in various forms, including cash capital injections and government subsidies. In 2021, the Group received government subsidies in the total amount of RMB400 million. In 2022, the Group received government subsidies in the total amount of RMB603 million, capital injection in the total amount of RMB758 million, special fund and subsidies in the total amount of RMB450 million and share transfer in the total amount of RMB2 million. In 2023, the Group received government subsidies in the total amount of RMB1,376, special funds and subsidies in the total amount of RMB1,000 million and share transfer in the total amount of RMB86 million. Since 1 January 2024, the Group had received a total capital injection in cash in the amount of RMB2,628 million and a capital injection in equity interests in the amount of RMB10,620 million (which includes RMB200 million equity interests in the National Manufacturing Transformation and Upgrade Fund, RMB6,000 million equity interests in Phase 2 of the National Integrated Circuit Industry Investment Fund (國家集成電路產業投資基金)(the “**National IC Fund**”) and RMB4,420 million equity interest in the Hubei Integrated Circuit Industrial Investment Fund (湖北集成電路產業投資基金)(the “**Hubei IC Fund**”). The Group expects to receive a capital injection from government entities in the aggregate amount of RMB13,248 million in 2024 and to receive RMB2,000 million yearly beginning in 2024 from the Wuhan Municipal Finance Bureau for the expansion of industrial funds. In accordance with the Notice of the Issuing the Implementation Plan for the Establishment of Wuhan Changjiang International Trade Group Co., Ltd. (武漢長江國際貿易集團有限公司)(Wu Zheng Ban (2022) No. 65), Wuhan Municipal Government planned to allocate RMB1,000 million on a year-by-year basis from the state-owned asset operation budget to contribute to the capital of the Issuer for use in investment in Wuhan Changjiang International Trade Group Co., Ltd.

Prominent state-owned enterprise serving as the core platform for promoting key strategic industries in the region

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 state-owned 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 2021, 2022 and 2023 also illustrate the Group's successful growth story, such as the Group's total assets had increased from RMB162,842 million as at 31 December 2021 to RMB210,940 million as at 31 December 2023, representing an increase of 29.5 per cent.; the Group's total operating revenue had increased from RMB52,652 million for the year ended 31 December 2021 to RMB80,740 million for the year ended 31 December 2023, representing an increase of 53.3 per cent.

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:

- the Group has played a pivotal role in advancing investments in key strategic industries, with a particular focus on the integrated circuit (“IC”) industry and its upstream and downstream value chains. The Group, being the sole municipal-level shareholder, subscribed RMB5,000 million to the first phase of the National IC Fund as a representative of Wuhan Municipal. The Group actively participated in national strategic initiatives for IC industry investments, contributing to China’s global competitiveness in semiconductors. In 2023, the Group successfully established an IC sub-fund with a total scale exceeding RMB3,000 million, aimed at supporting the development of the IC industry chain, fostering the growth of local suppliers in materials, equipment, and components, enhancing the regional IC ecosystem. The second phase of the National IC Fund included an investment commitment of RMB6,000 million from the Group, contributed as capital into the Group from the Wuhan Finance Bureau, of which RMB5,430 million had already been injected, with RMB570 million outstanding. The Group played a significant role in financing the Yangtze Storage Technologies project, a national strategic initiative, in which the Group invested RMB880 million in the first phase and RMB1,680 million in the second phase. Through robust financial and guarantee support, the Company facilitated over RMB21,700 million in financing, enabling critical technological breakthroughs and mass production in the industry. The Group has also made active investment in the semiconductor industry. For example, Guotong Trust co-established a fund to participate into the strategic placement Longsys Electronics and achieved a 45 per cent. return on investment upon exit.
- Hangjin Technology Co., Ltd. (航錦科技股份有限公司)(“**Hangjin Technology**”), a consolidated subsidiary of the Group, held stake in six “specialized, refined, and innovative” enterprises, nine “high-tech enterprises”, and three “Gazelle” enterprises, having been recognized as one of six Wuhan enterprises included in the State-owned Assets Supervision and Administration Commission’s list of technological reform demonstration enterprises. Hangjin Technology holds a number of subsidiaries with technology speciality including, among others, Wuhan Navigation Institute (武漢導航院), Changsha Shaoguang Semiconductor Co., Ltd. (長沙韶光半導體有限公司)(“**Changsha Shaoguang**”), Waco Electronic Module (Shenzhen) Co., Ltd. (威科電子模塊(深圳)有限公司)(“**Waco Electronic**”), and Wuhan Chaoqing Digital Technology Co., Ltd. (武漢超擎數智科技有限公司)(“**Chaoqing Digital**”). Wuhan Navigation Institute is a high-tech enterprise with Class B surveying qualifications and is home to the Hubei Beidou Navigation and Positioning Service Engineering Laboratory (湖北省北斗導航與位置服務工程實驗室). In 2023, it was named Vice Chair of the Hubei Beidou Industry Technology Innovation Strategic Alliance (湖北省北斗產業技術創新戰略聯盟). Changsha Shaoguang specializes in R&D, design, testing, and packaging of special ICs and launched nearly 80 varieties of self-developed products in 2023. Waco Electronic, with over 30 years of R&D expertise, is recognized as a national high-tech and advanced technology enterprise. Chaoqing Digital, authorised by NVIDIA as a dual elite partner in GPU and Networking, has launched three major AI servers in 2023. It provides robust, reliable foundational computing architecture for domestic supercomputing centers, meeting complex computational needs.
- Hubei Dinghao Smart Energy Co., Ltd. (湖北頂好智慧能源有限公司), a member of the Group, leverages its distributed photovoltaic (PV) business as a gateway, efficiently connecting agents and financial resources to integrate the entire distributed PV value chain, from component procurement, storage, transportation, and installation to station resale and operations & maintenance (O&M) services. Its goal is to become a comprehensive energy aggregation service provider.
- Hubei Financial Leasing Co., Ltd. (湖北金融租賃股份有限公司)(“**Hubei Financial Leasing**”), a member of the Group, adheres to a strategy of green industry transformation, focusing on renewable energy, with cumulative green leasing investments exceeding RMB20,000 million as at 30 June 2024. It has also pioneered the “Dinghao Leasing”(頂好租) residential PV business model, partnering with PV manufacturers to provide a diversified, turnkey service solution for design, construction, installation, and O&M, building a one-stop PV service system.

- The Group took part in a National Multimodal Transport Demonstration Project as recognised by the Ministry of Transport and the National Development and Reform Commission. The project involved the construction of three demonstration routes – Northern Grain Southbound, Sea-to-River Imports, and Grain Transport from the Middle Yangtze, with a goal to set up Wuhan as a core grain logistics hub in the Yangtze River Economic Belt. These routes have handled over 2.5 million tons of cargo, including grain, edible oil, and frozen goods. As part of the project, high-standard cold storage facilities with a total capacity of 300,000 tons, a comprehensive warehouse of 240,000 square meters, and a provincial-level grain emergency guarantee and supply chain service centre with a capacity of 125,000 tons were established, supporting high-quality development across the logistics, hub, and industrial economies within the region.
- The Group is committed to supporting the National Grain Modern Logistics Wuhan Base (國家糧食現代物流武漢基地) project for grain security. As part of this project, Wuhan Yangluo Grain Logistics Emergency Guarantee Base (武漢陽邏糧食物流應急保障基地總倉容) with a total storage capacity of 125,000 tons serves as the largest grain transit warehouse in the middle and upper Yangtze ports. A member of the Group, Wuhan Changjiang International Trade Group Co., Ltd. (武漢長江國際貿易集團有限公司) was named as China's top 100 cold chain logistics enterprises and China's top 500 agricultural companies. Another member of the Group, Wuhan Commerce State-owned Holding Group Co., Ltd. (武漢商貿國有控股集團有限公司) is one of Hubei's first national 5A logistics companies and is a leading enterprise in modern logistics within Wuhan and Hubei Province.

A pillar of regional financial centre development

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, namely 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). 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.

The Group serves as a key player in building a comprehensive financial services system in Wuhan, holding a number of significant municipal financial entities:

- Hubei Financial Leasing: as at 30 June 2024, total assets of Hubei Financial Leasing amounted to RMB73,968 million, with leasing assets totaling RMB69,690 million, placing it among the top 20 in the industry by operational scale. Its overall strength ranks among the leading non-listed financial leasing companies owned by local state-owned enterprises. In the first half of 2024, Hubei Financial Leasing achieved RMB23,062 million in new investments, ranking first among non-bank financial institutions in the province, RMB8,852 million of which was newly invested in Hubei, providing specialized and high-quality financial leasing services to local enterprises. During the same period, RMB3,472 million was allocated to transformational business, including RMB2,509 million for new energy, RMB746 million for advanced equipment manufacturing, and RMB219 million for transportation and logistics, marking early success in its transformation efforts.

- Guotong Trust: in response to new regulatory requirements, Guotong Trust focused on three classifications and 25 varieties of trust businesses, enhancing market research and analysis while accelerating key business expansion. Guotong Trust successfully launched GLP Logistics Real Estate Fund (普洛斯物流地產基金) and Tishman Speyer Commercial Real Estate Fund (鐵獅門商業地產基金). Guotong Trust also established the first bankruptcy restructuring service trust in the province, Guotong Trust-Kaidi Ecological Reorganisation Service Trust (國通信託-凱迪生態重整服務信託), with a scale exceeding RMB4,000 million. Additionally, it launched a family trust department, completed standard contracts, and developed standardized operating and review manuals. As at 31 December 2023, 44 family trusts have been established with a total scale of RMB1,485 million.
- Huayuan Securities Co., Ltd. (華源證券股份有限公司)(“**Huayuan Securities**”) (formerly known as Jiuzhou Securities Co., Ltd. (九州證券股份有限公司)): Since joining the Group in 2023, Huayuan Securities has focused on strategic research, team building, and system overhauls, gradually restarting or expanding its wealth management, asset management, proprietary trading, investment banking, and research businesses. It has implemented a localisation strategy, relocating administrative management, business operations, and support departments to Wuhan, while establishing Hubei and Wuhan branches and a futures branch in Wuhan. In 2023, Huayuan actively provided financing and investment services to local governments and enterprises, underwriting bonds totaling RMB36,796 million. Huayuan Securities was recognised as an Outstanding Interest Rate Bond Underwriter (Brokerage Category) by the Shenzhen Stock Exchange for 2023.
- Hanrongtong (漢融通): As a comprehensive financial service platform for Wuhan, Hanrongtong’s expanded services were highlighted in the 2024 Wuhan Municipal Government Work Report, marking it as a key financial project for the city. In September 2023, the upgraded Hanrongtong platform was officially launched, featuring dedicated modules for financial services, policy services, and credit services, establishing the “Wuhan Smart Finance Brain.” By the end of 2023, the platform had established direct connections with 25 banks, and had introduced 135 financial products serving banking institutions across Wuhan. The platform gathered 7.32 billion pieces of data from enterprises, individual businesses, and other market participants, recorded over 107 million visits, registered over 60,000 new enterprises, and processed over 63,000 applications for interest subsidies. In 2023 alone, the platform facilitated nearly RMB20,000 million in corporate financing.
- Wuhan Rongwei Security Escort Services Co., Ltd. (武漢市融威押運保安服務有限公司)(“**Wuhan Rongwei**”): In 2023, Wuhan Rongwei’s escort service business covered 1,496 bank branches, 659 collection points, and 611 ATMs across the city, maintaining a 90 per cent. market share based on the number of outlets. Wuhan Rongwei’s financial back-office services also expanded, serving 1,365 bank branches of 27 banks across Wuhan, with a market share exceeding 90 per cent.

The Group believes, as the regional financial centre, 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 solidifying its position as a first-class financial holding conglomerate.

Prudent investment management and stringent risk management control with diversified financing channels

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. The system is divided into eight categories and two levels, with a total of 128 policies. The system is continuously updated and refined to improve risk prevention and control. 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.

Licensed entities within the Group, namely Hubei Financial Leasing, Guotang Trust and Huayuan Securities maintained its compliance with regulatory requirements on capital adequacy ratio, financing concentration, related party exposure, net capital, risk capital, core net capital and non-performing loan ratio as at 31 December 2023. As at 30 June 2024, Hubei Financial Leasing maintained a core-tier-one capital adequacy ratio of 9.76 per cent., a capital adequacy ratio of 10.95 per cent., a provision ratio of 3.23 per cent. and a provision coverage ratio of 283.95 per cent. In 2023, Guotong Trust set aside RMB27 million for trust compensation reserve, bringing the cumulative total to RMB360 million. Guotong Trust's total trust compensation reserve accounted for 8.66 per cent. of its registered capital as at 31 December 2023. Guotong Trust's ratio of net capital to the sum of risk capital across all business lines stood at 202.04 per cent. Huayuan Securities reported a risk coverage ratio of 238.30 per cent., a capital leverage ratio of 32.96 per cent., a liquidity coverage ratio of 278.63 per cent. and a net stable funding ratio of 159.78 per cent. as at 31 December 2023. Similarly, Hankou Bank and Wuhan Rural Commercial Bank have consistently adhered to prudent operations and stable development, placing emphasis on proactively preventing and mitigating systemic financial risks. In 2023, Hankou Bank reported a non-performing loan ratio of 2.61 per cent., a capital adequacy ratio of 11.84 per cent., a provision coverage ratio of 162.63 per cent. and a loan-to-deposit ratio of 87.29 per cent. In the same period, Wuhan Rural Commercial Bank reported a non-performing loan ratio of 2.91 per cent., a capital adequacy ratio of 11.29 per cent., a provision coverage ratio of 158.20 per cent. and a loan-to-deposit ratio of 84.18 per cent.

The Group has access to diversified financing channels to fund its project development, such as bank loans and issuances of debt securities in domestic and international capital markets. Different sources of capital enable the Group to better manage its credit risk by optimising the maturity profile of its outstanding debts and securing low-cost capital if available. As at 30 September 2024, the Group had issued a total of approximately RMB77,582 million in domestic bonds and USD892 million in offshore bonds. For future financings, the Issuer held approved unused quotas to issue corporate bonds in the amount of RMB3,000 million, medium-term notes in the amount of RMB5,000 million and ultra-short-term financing notes in the amount of RMB1,000 million. The Group maintains stable relationships with a number of reputable commercial banks and other financial institutions in China. As at 30 June 2024, the Group had secured total credit facilities totaling approximately RMB103,221 million, of which approximately RMB35,280 million (representing 34.18 per cent.) had not been utilised. A total of 23

banks had granted the Group over RMB1,000 million in credit facilities with a combined total of RMB102,366 million, of which 34.28 per cent. had not been utilised. The below table sets out the breakdown of key credit facilities from major banks and financial institutions as at 30 June 2024:

	Granted Amount	Available Amount
	(RMB million)	(RMB million)
Pingan Bank	8,660	3,512
Shanghai Pudong Development Bank	8,500	4,694
Industrial Bank	8,000	3,200
Agricultural Development Bank of China	7,920	2,061
China CITIC Bank.	6,000	3,195
China Construction Bank	6,000	2,754
Hankou Bank	5,605	358

The Group has been exploring other financing channels for low-cost capital to further enhance its diversified financing structure, such as issuance of bonds in the international capital markets

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 2024, Hubei Financial Leasing had 192 employees, of which 191 employees held a bachelor's degree or above and 61 per cent. had work experience in the financial industry with 38 employees with work experience in financial leasing. Guotong Trust had 304 employees as at 30 June 2024, of which 164 employees held a master's degree or above (including eight PhD holders). A large number of key employees in Guotang Trust obtained professional qualifications such as CFA, CPA, FRM and law. Huayuan Securities had 1,443 employees as at 30 June 2024, of which 435 employees held a master's degree or above (including eight PhD holders). A large number of key employees in Huayuan Securities across different business segments obtained professional qualifications such as CFA, CPA, FRM and law. As at 30 June 2024, 80.8 per cent. of Wuhan Credit Risk's employees held a bachelor's degree or above and 49.6 per cent. of which with intermediate or higher titles or key professional and technical qualifications.

BUSINESS STRATEGIES

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 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 photovoltaics services, 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 as at and for the Six Months Ended 30 June 2024

The Issuer has published its interim consolidated financial statements as at and for the six months ended 30 June 2024 (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 Group recorded an increase in total operating revenue for the six months ended 30 June 2024 as compared to the same period in 2023 resulting from an increase in revenue from the Group’s businesses in the industrial sector. However, the Group’s net profit for the six months ended 30 June 2024 decreased as compared to the same period in 2023 primarily due to an increase in costs of sales, taxes and surcharges, financial expenses and research and development cost, a lower level of gains from changes in fair value and asset impairment and a decrease in non-operating income, partially offset by an increase in investment income. As at 30 June 2024, the Group’s total assets increased as compared to the balance as at 31 December 2023. As at 30 June 2024, total liabilities of the Group increased as compared to the balance as at 31 December 2023, which was primarily attributable to the increases in the Group’s current liabilities, in particular, short-term loans and borrowings from banks, incurred to enhance liquidity and to meet the Group’s capital needs.

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 2024. 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. 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.*”

Additional Indebtedness since 31 December 2023

Since 31 December 2023, the Group has incurred additional indebtedness to replenish its working capital, to finance its business development and for other general corporate purposes. In particular, since 31 December 2023, the Group has issued debt instruments, including but not limited to short-term corporate bonds, private placement notes and medium-term notes, with an aggregate principal amount of approximately RMB10.43 billion in domestic capital market in the PRC.

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, and all of the registered capital has been paid in full.

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

Year	Event(s)
2005	In July 2005, Wuhan Municipal Party Committee and the Wuhan 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 RMB14,168 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).
2006	In June 2006, Wuhan Municipal Party Committee and the Wuhan Municipal Government established Wuhan Yangtze River Asset Management Co., Ltd. Subsequently, Wuhan Yangtze River Asset Management Co., Ltd. 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, representing a 30.0 per cent. equity interest in, Wuhan Selline Group Co., Ltd.

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 in-depth 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.
2008	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.
2009	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. acquired RMB632 million of distressed assets held by Wuhan Rural Commercial Bank.
2010	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. 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).
2011	In September 2011, in accordance with the requirements under the "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.

Year	Event(s)
	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. Managed by Wuhan Financial Assets Exchange Co., Ltd. (武漢金融資產交易所有限公司), Wuhan Financial Assets Exchange primarily served small and medium enterprises, providing financial institutions access to financing resources and facilitating information exchange. In September 2024, Wuhan Financial Assets Exchange Co., Ltd. was restructured and renamed into Wuhan Yangtze River Capital Investment Development Co., Ltd. (武漢長江資本投資發展有限公司), and Wuhan Financial Assets Exchange ceased to function as a financial asset trading platform.
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. After the acquisition, the Group was able to expand its business portfolio into financial property services and financial logistics services.
2014	In September 2014, the Group was listed in “Hubei Top 100 Enterprises” for the first time and ranked 51st. 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 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.

Year	Event(s)
	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. In December 2015, the Issuer, as the sole municipal-level shareholder, subscribed RMB5,000 million to the phase 1 of the National IC Fund.
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. 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.
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).
2018	In July 2018, Wuhan Financial Holding Modern Supply Chain Management Co., Ltd. (集團旗下武漢金控現代供應鏈管理有限公司), a member of the Group, was incorporated. In November 2018, the Group’s multimodal transport project was approved as part of the “Third Batch of National Multimodal Transport Demonstration Projects” (全國第三批多式聯運示範工程) by the Ministry of Transport and the NDRC. 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 paid in the capital contribution of RMB5,000 million to phase 1 of the National IC Fund.

Year	Event(s)
2019	In August 2019, the Wuhan International Exchange Service Centre (武漢市國際交流服務中心) was transferred to the Group. In November 2019, the Executive Committee of the 7th Military World Games sent a letter of appreciation to Wuhan Rongwei, thanking its contributions to security during the games. In December 2019, Wuhan Development Investment Co., Ltd. acquired a financial leasing license.
2020	In January 2020, the Group donated RMB30 million to the Wuhan Red Cross Society. Guotong Trust, a subsidiary of the Issuer, initiated the establishment of the China Trust Industry Anti-COVID-19 Charity Trust (中國信託業抗擊新冠肺炎慈善信託), raising RMB30.9 million to fully support the fight against the COVID-19 pandemic, demonstrating the Group's commitment to social responsibility. In April 2020, the registered capital of Wuhan Credit Risk Management Finance Guarantee Co., Ltd. (武漢信用風險管理融資擔保有限公司) was increased to RMB10,000 million, making it the first financing guarantee platform in Central China to reach this scale, placing it among the leading platforms nationwide in terms of comprehensive strength. 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 increased its registered capital from RMB4 billion to RMB10 billion with the approval from Wuhan SASAC. Yangtze Asset Operation and Management Co., Ltd. was consolidated into the Group's financials in 2020.
2021	Hangjin Technology Co., Ltd. (航錦科技股份有限公司)(stock code: 000818.SZ) was consolidated into the Group's financials in 2021.
2022	In May 2022, the Group established and became the controller of Wuhan Yangtze River State Trading Group Co. (武漢長江國貿易集團有限公司), a company with a registered capital of RMB8 billion.
2023	The Group became the de facto controller of Huayuan Securities after its subsidiaries Wuhan Development Investment Co., Ltd., Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司), Wuhan Sanheng Investment Holding Group Co., Ltd. (武漢三恒投資控股集團有限公司) and Wuhan Zhongtian Yucheng Commercial Management Co., Ltd. (武漢中天昱誠商業管理有限公司) received a total of 72.5 per cent. equity interest in Huayuan Securities from Tongchuangjiuding Investment Management Group Co., Ltd. (同創九鼎投資管理集團股份有限公司). After completion of the acquisition, the Group holds 50% of the equity interest in Huayuan Securities.

Year	Event(s)
	In April 2023, Hubei State-owned Equity Operation and Management Co., Ltd. (湖北省國有股權營運管理有限公司) and the Group entered into the <i>Management Agreement on Transfer of State-owned Equity Interests to Enrich the Social Security Fund</i> (劃轉充實社保基金國有股權管理協議), pursuant to which Hubei State-owned Equity Operation and Management Co., Ltd. acquired a 4.31 per cent. equity interest in the Issuer from Wuhan SASAC. The transfer of state-owned equity interest will not change the Group's existing state-owned asset management system and will not affect the Group's daily operation and management.
2024	In March 2024, the Issuer was issued an onshore credit rating of “AAA” by China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司).
	In June 2024, Wuhan Municipal Finance Bureau injected RMB2,628 million registered capital into the Group.

AWARDS AND RECOGNITIONS

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 31 December 2023:

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. 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 since 2010 (全球銀行500強)” by The Banker.
2011	The Issuer was awarded “2011 Gold Crane Award of Outstanding 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.

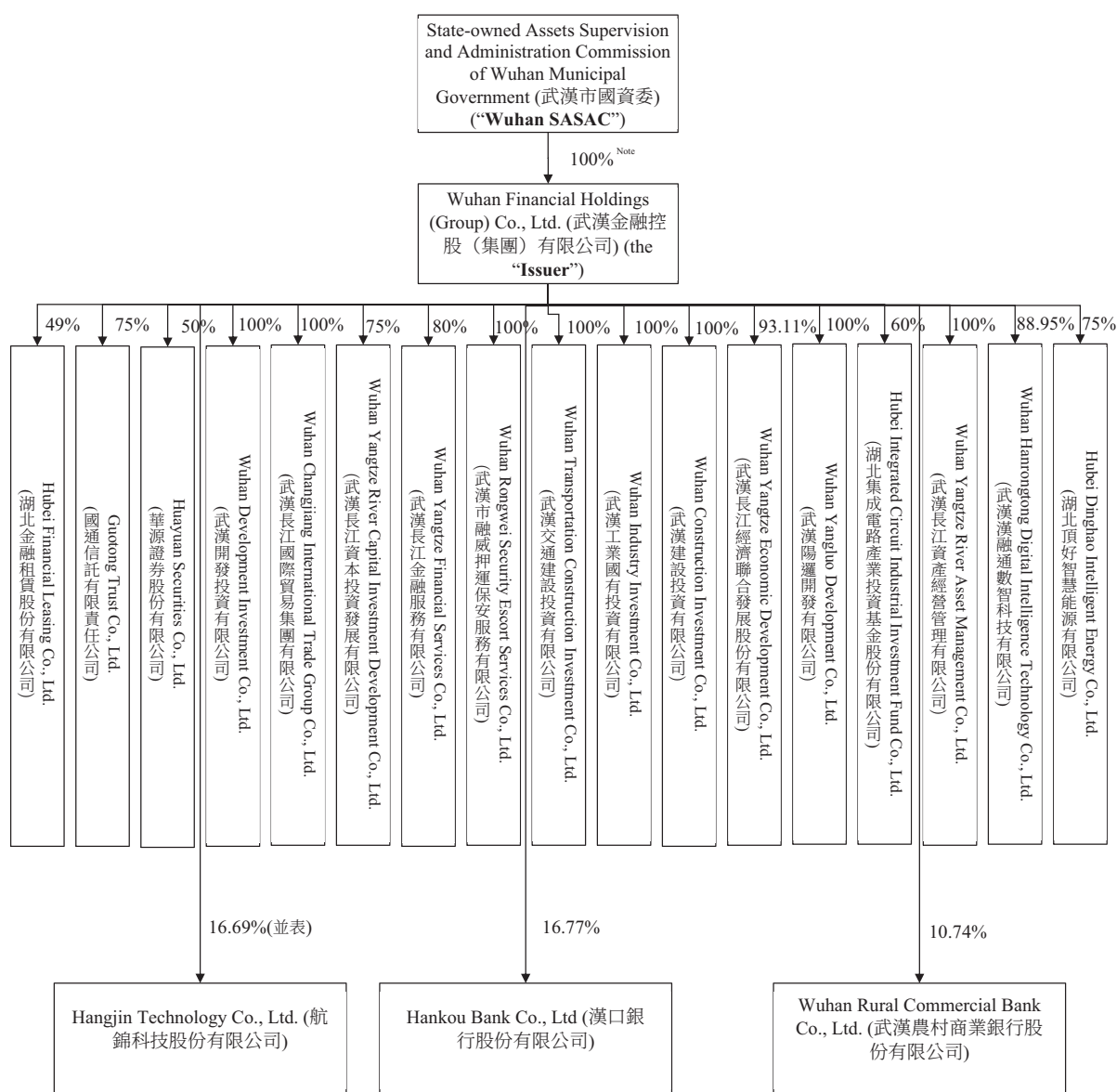
Year	Award(s)
	Wuhan Financial Assets Exchange Co., Ltd. was awarded “2013 Gold Crane Award of Outstanding Enterprise of Hubei Province (2013年度湖北省優秀企業(金鶴獎)榮譽稱號)” by Hubei Enterprise Confederation and Hubei Enterprise Directors Association. Guotong Trust was named “China’s Most Promising Trustee”(中國最具成長性信託公司) 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 the CBRC.
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.
2016	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.

Year	Award(s)
	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. 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.
2019	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.

Year	Award(s)
	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.
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 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.
2022	The Issuer was ranked 409th among “2022 China Top 500 Enterprises (2022年中國企業500強)” by China Enterprise Confederation and China Enterprise Directors Association, the fifth time it had been named to the list.
2023	The Issuer was ranked 384th among “2023 China Top 500 Enterprises (2023年中國企業500強)” by China Enterprise Confederation and China Enterprise Directors Association, the sixth time it had been named to the list. The Issuer was ranked 15th among “2023 Hubei Top 100 Enterprises (2023年湖北百強企業)” by Hubei Enterprise Confederation and Wuhan Enterprise Directors Association. The Issuer was ranked 11th among “2023 Wuhan Top 100 Enterprises (2023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 the date of this Offering Circular:



Note: According to an instruction letter issued by Wuhan SASAC on 23 February 2023, Wuhan SASAC will transfer 10 per cent. of the equity interest of the Issuer owned by it to Hubei State-owned Equity Operation and Management Co., Ltd. (湖北省國有股權營運管理有限公司) without consideration and the relevant transfer amount is RMB431 million. As at the date of this Offering Circular, the Issuer has not yet completed the amendment of its articles of association, registration at the local branch of the State Administration for Market Regulation of the PRC and registration of changes in state-owned property rights for the aforementioned transfer.

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) electronics and chemicals. It also conducts certain other businesses, including photovoltaics service business, industrial investment and operation, new energy vehicles leasing business 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:

Operating income

	For the year ended 31 December					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Financial services sector	6,704	12.7	7,320	12.2	5,938	7.4
Industry sector	45,971	87.3	52,533	87.8	74,802	92.6
Commodity trading	34,632	65.7	43,037	71.9	65,982	81.7
Integrated logistics services	5,017	9.5	3,968	6.6	3,771	4.7
Real estate	1,205	2.3	376	0.6	530	0.7
Electronics & chemicals	4,094	7.8	3,292	7.2	3,668	4.5
Others	1,023	2.0	860	1.5	851	1.0
Operating income	52,675	100.0	59,853	100.0	80,740	100.0

Gross operating profit

	For the year ended 31 December					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Financial services sector	5,063	67.5	5,335	74.6	3,785	63.1
Industry sector	2,440	32.5	1,820	25.4	2,213	36.9
Commodity trading	304	4.0	419	5.9	782	13.0
Integrated logistics services	410	5.5	320	4.5	268	4.5
Real estate	206	2.7	110	1.5	234	3.9
Electronics & chemicals	1,125	15.0	718	10.0	685	11.4
Others	395	5.3	253	3.5	244	4.1
Gross operating profit	7,503	100.0	7,155	100.0	5,998	100.0

Financial Services Sector

Overview

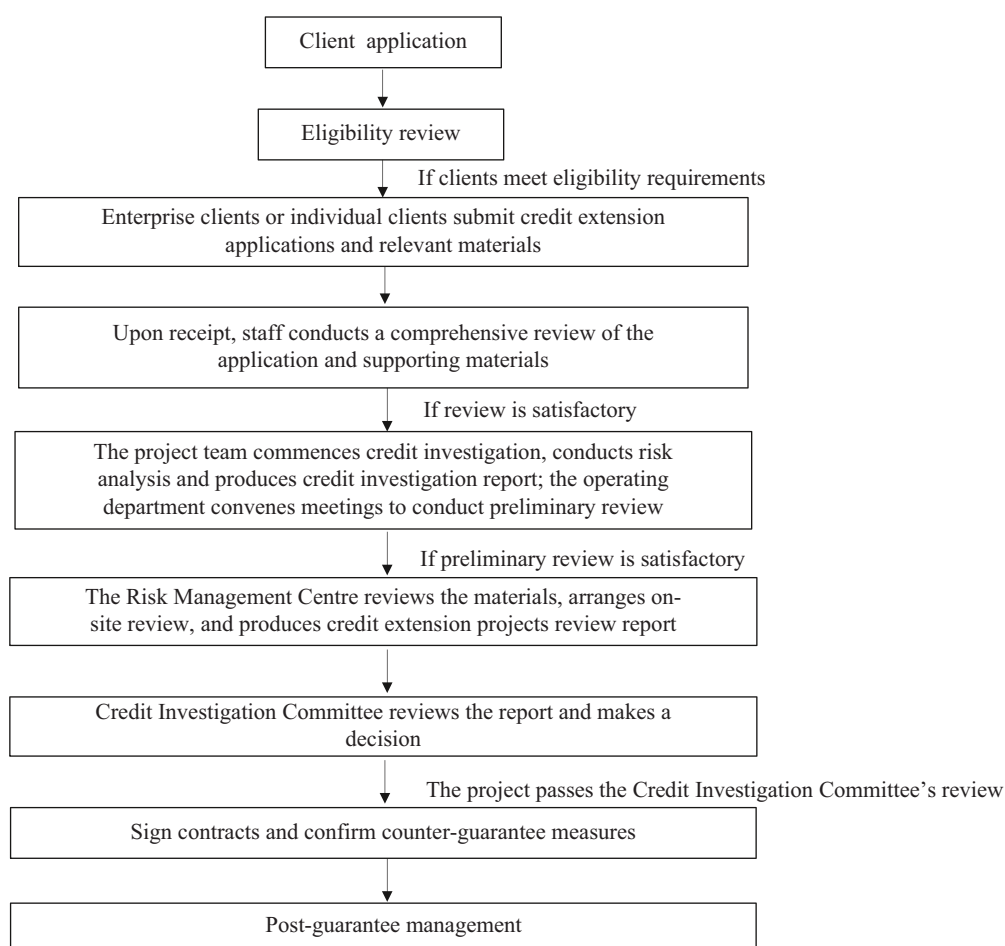
The Group has a diverse portfolio of financial services and products ranging from guarantees, entrusted loans, financial asset trading, financial leasing to trust services. In addition to holding equity investments in certain PRC commercial banks, including Hankou Bank (漢口銀行) and Wuhan Rural Commercial 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). For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from this business sector was RMB6,704 million, RMB7,320 million and RMB5,938 million, respectively, representing 12.7 per cent., 12.2 per cent. and 7.4 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, 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:



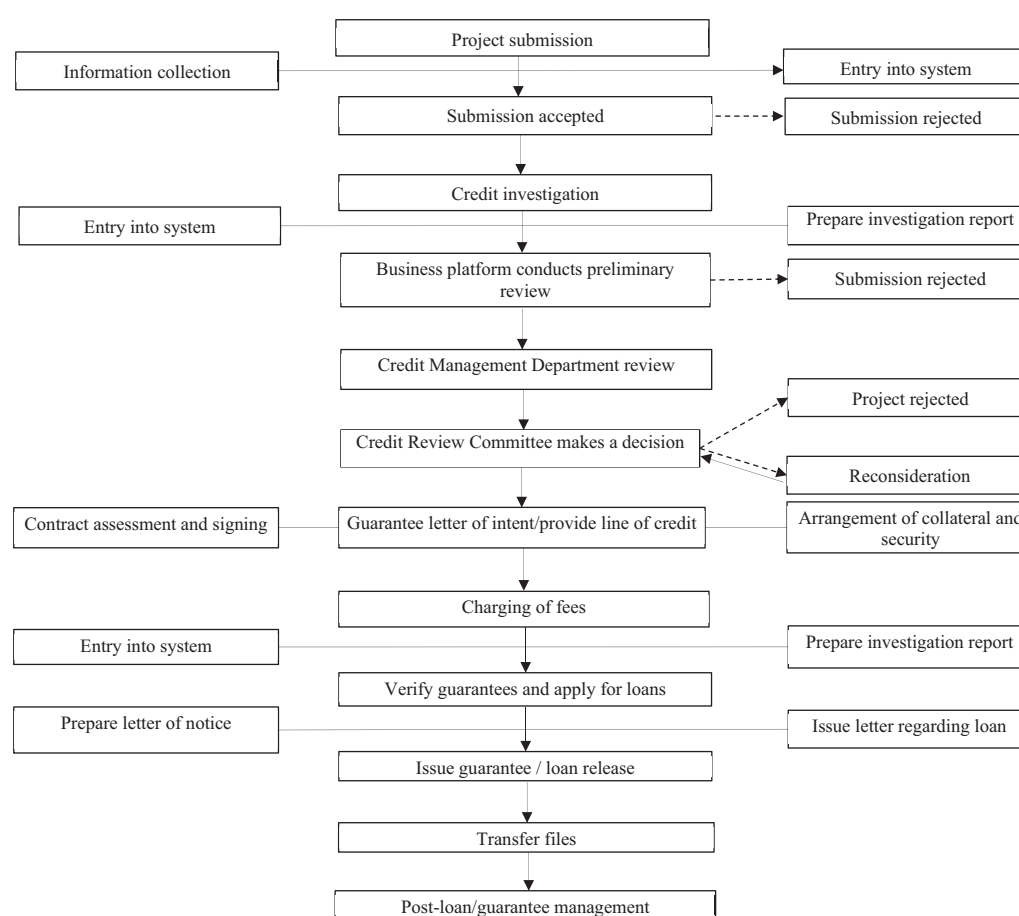
As at 31 December 2023, the Group's total outstanding balance of guarantees with respect to its credit guarantee business amounted to RMB8,871 million, of which approximately 9.0 per cent. of the contracts were due within 12 months, approximately 1.9 per cent. of the contracts were due within 12 to 24 months and the remaining 89.1 per cent. of the contracts due after 24 months. Approximately 98.5 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 1.5 per cent. being individual customers.

For the year ended 31 December 2023, the Group had made payments amounting to RMB70 million for its credit guarantee customers who were unable to repay their borrowings on time. However, the Group recovered RMB60 million in total for the same period. As at 31 December 2023, the pay-out rate was approximately 3.1 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 trustee 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 31 December 2023, the Group had 169 outstanding loans with the aggregate amount of RMB16.7 billion. As at 31 December 2023, there were 169 entrusted loans outstanding with a total amount of RMB16,742 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.

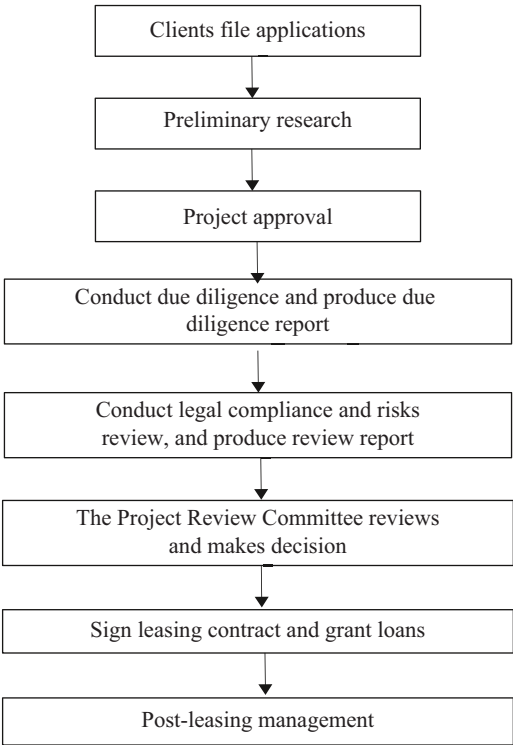
Financial Leasing

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, environmental protection and green industries, the total of which amounted to RMB30.3 billion for the year ended 31 December 2023. The Group’s customer coverage is primarily concentrated in Hubei Province but extends to a total of approximately 24 provinces and 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.

Securities

The Group conducts its securities business through its subsidiary Huayuan Securities. The Group became the de facto controller of Huayuan Securities after its subsidiaries Wuhan Development Investment Co., Ltd., Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司), Wuhan Sanheng Investment Holding Group Co., Ltd. (武漢三恒投資控股集團有限公司) and Wuhan Zhongtian Yucheng Commercial Management Co., Ltd. (武漢中天昱誠商業管理有限公司) received a total of 72.5 per cent. equity interest in Huayuan Securities from Tongchuangjiuding Investment Management Group Co., Ltd. (同創九鼎投資管理集團股份有限公司). Huayan Securities is a fully licensed comprehensive brokerage firm, whose main business currently covers most areas of the securities service industry, including brokerage, investment banking, asset management, wealth management, securities proprietary business and futures business.

Huayuan Securities has established a multi-level organisational structure for risk management. Its organisational structure for risk management is composed of the board of directors, the board of supervisors, the managers, the risk management department, other functional management departments, practice group, branches and subsidiaries. Each level has its own responsibilities and organically coordinates to fully implement various responsibilities for risk management.

Others

The Group also engages in financial asset trading, notes brokerage and finance related security escort services businesses. The Group carries out its financial asset trading through its subsidiary, Wuhan Yangtze River Capital Investment Development Co. Ltd. (武漢長江資本投資發展有限公司). Other than trading of traditional and innovative financial assets and products, information consulting services are also available for exchange members. 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. 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 trading of supply chain commodities including cold chain commodities, metals, grain and grain products and wood and (ii) the trading of passenger vehicles. For the years ended 31 December 2021, 2022 and 2023, the Group’s operating income from this business sub-sector was RMB34,632 million, RMB43,037 million and RMB65,982 million, respectively, representing 65.7 per cent., 71.9 per cent. and 81.7 per cent. of its total operating income for the same periods.

Trading of Supply Chain Commodities

The Group conducts its commodity trading business primarily through 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**”) and Wuhan Yangluo Port Services Co., Ltd. (武漢陽邏港口服務有限公司) (“**Yangluo Port Services**”), which are subsidiaries of Wuhan Changjiang International Trade Group Co., Ltd. (武漢長江國際貿易集團有限公司), a wholly-owned subsidiary of the Group. Wuhan Financial Holdings was established in July 2018 and primarily engages in supply chain management, bulk trading, cold chain commodity trading, metal trading and grain and grain products trading. Yangluo Port Services was

established with the core purposes of improving comprehensive service functions such as trade, finance, logistics, and processing, and building a bulk commodity trade distribution center. Yangluo Port Services primarily engages in bulk trading, cold chain commodity trading and home appliances 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 silver and aluminum ingot. 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.
- *Home appliances trading* – Mainly comprises the trading of air conditioner and other home appliances. The Group engages in home appliance procurement and distribution services for both upstream and downstream customers. Its suppliers include JD.com, Midea Group, AUX and Xiaomi Corporation. Its downstream customers consist of home appliance dealers in cities such as Beijing, Hefei, Nanchang, Wuhan, Guangzhou and Shenzhen. Customers usually pay a 20 per cent. deposit based on the type of commodity traded with the remaining balance settled within an agreed timeframe.

Trading of Passenger Vehicles

The Group engages in trading of passenger vehicles through its subsidiaries Wuhan Yangluo Development Co., Ltd. (武漢陽邏開發有限公司) (“**Yangluo Development**”) and Wuhan Jinkong NEV Leasing Co., Ltd. (武漢金控新能源汽車租賃經營有限公司) (“**Jinkong NEV Leasing**”). Yangluo Development was established in 1997 and is a wholly-owned subsidiary of the Group. Jinkong NEV Leasing was jointly established by Yangluo Development and Wuhan Public Transport Group Corporation Limited. (武漢市公共交通集團有限責任公司), with Yangluo Development holding 91.7 per cent. equity interest in Jinkong NEV Leasing. Jinkong NEV Leasing's primarily engages in passenger vehicles trading, bus rental and sale, and passenger car operating leasing. The Group conducts

its passenger vehicle trading business nationwide in China. Its upstream customers are state-owned automobile manufacturers such as FAW Group, Dongfeng Motor Corporation and SAIC Motor. The Group's downstream collaborators are leading car dealerships with established sales channels.

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 controlled subsidiaries Wuhan Trade State-owned Holding Group Co., Ltd. (武漢商貿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 2021, 2022 and 2023, the Group's operating income from this business sub-sector was RMB5,017 million, RMB3,968 million and RMB3,771 million, respectively, representing 9.5 per cent., 6.6 per cent. and 4.7 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 the subsidiaries of Wuhan Trade State-owned Holding Group Co., Ltd. (武漢商貿國有控股集團有限公司), 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.

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 Hubei Province Grain Co., Ltd., Sinograin Zhenjiang Grains & Oil Co., Ltd., Hubei Chennanhui Grain and Oil Trading Co., Ltd., Jiangsu River & Ocean Cereals and Oils Group Co., Ltd., Wuhan Dingwo Grain and Oil Co., Ltd. Wuhan Yujiangcheng Trading Co. Ltd., Wuhan Hengzhifeng Trading Co., Ltd., Chongqing Dingsheng Jinye Trading, and Zhangjiagang Free Trade Zone.

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, Master Kang Food and Wellamb. 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**”). For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from this business sub-sector was RMB1,205 million, RMB376 million and RMB530 million, respectively, representing 2.3 per cent., 0.6 per cent. and 0.7 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 31 December 2023:

	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
Properties under development				
Tangjiadun City Village Reconstruction Project (唐家墩城 中村改造項目):	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.
– K1 phase				
– K7 phase				
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 Jiangnan 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. For the year ended 31 December 2023, the total income generated by the project amounted to RMB335 million. The project development of both K1 and K7 was completed as at the date of the Offering Circular. As at 31 March 2024, total investment by the Group in this project amounted to RMB6,820 million.

Dingxiu Northwest Lake Project

This project is situated in Jiangnan District, Wuhan and in the central residential area of Hankou Area. With a total GFA of 277,200 square metres, it consists of three land parcels: parcel A was developed into commercial facilities with a site area of 11,080 square metres, parcel B was developed into commercial facilities with a site area of 13,680 square metres and parcel C was 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 was completed as at the date of the this Offering Circular. As at 31 March 2024, the total investment by the Group in this project amounted to RMB6,328 million.

Industrial sector – Electronics & Chemicals

Overview

The Group commenced its electronics and chemicals business, which primarily produces semiconductors and basic chemical raw materials, after its acquisition of Hangjin Technology Co., Ltd. (航錦科技股份有限公司) (“**Hangjin Technology**”) (stock code: 000818.SZ) in 2021. Hangjin Technology owns 6 specialised enterprises, 9 high-tech enterprises and 3 gazelle enterprises, and has been named by the State Council SASAC as one of the six “Technology Reform Demonstration Enterprises (科技示範企

業)” in Wuhan. For the years ended 31 December 2021, 2022 and 2023, the Group’s operating income from this business sub-sector was RMB4,094 million, RMB4,292 million and RMB3,668 million, respectively, representing 7.8 per cent., 7.2 per cent. and 4.5 per cent. of its total operating income for the same periods.

Electronics – Military

The Group conducts the military segment of its electronics business mainly through Hangjin Technology’s subsidiaries Changsha Shaoguang Semiconductor Co., Ltd. (長沙韶光半導體有限公司) and Weike Electronic Modules (Shenzhen) Co., Ltd. (威科電子模組(深圳)有限公司). The Group mainly manufactures chip products, including memory chips, bus interface chips, analog chips and graphics processing chips, which are used in aerospace equipment, military equipment, airborne radar, shipborne radar, satellite communications, etc. The Group’s customers are key weapons and equipment development enterprises such as major domestic military corporations and local private military enterprises.

Electronics – Civil

The civil segment of the Group’s electronics business is primarily conducted by Hangjin Technology’s subsidiaries Shenzhen Weike RF Technology Co., Ltd. (深圳威科射頻技術有限公司), HL Tronics (Kunshan) Co., Ltd. (泓林微電子(昆山)有限公司) and Wuhan Navigation & LBS, Inc. (武漢導航與位置服務工業技術研究院有限責任公司). The Group’s products, including RF chips, communication antennas, and Beidou products, are widely used in communication equipment, medical electronics, industrial control equipment, automotive electronics, cell phone RF module, navigation equipment, high-precision positioning equipment, etc. The Group focuses on Beidou satellite position, navigation and communication radio frequency to continue its expansion into civil electronics products.

Chemicals

The Group manufactures basic chemical raw materials, which primarily consist of caustic soda, propylene oxide and polyether. The Group conducts its chemicals business primarily through Hangjin Technology and its subsidiaries Huludao Hangjin Logistics Co., Ltd. (葫蘆島航錦物流有限公司), Jinzhou Hangjin Storage and Transportation Co., Ltd. (錦州航錦儲運有限公司), Huludao Jinhua Import and Export Co., Ltd. (葫蘆島錦化進出口有限公司) and Huludao Hangjin Titanium Industry Co., Ltd. (葫蘆島航錦鈦業有限公司). As at 31 December 2023, the Group holds a total of 40 patents related to the production of caustic soda, propylene oxide, polyether and polyvinyl chloride. The Group adopts a mixed mode of direct sales and distribution. As the largest manufacturer of caustic soda in Northeastern China, the Group’s customers for caustic soda are primarily large state-owned enterprises and listed companies in Northeastern China. The Group’s propylene oxide is primarily sold to enterprises engaging in the manufacture of products such as polyether, cellulose, dimethyl carbonate and surfactants in Northeastern China, Shandong province and Hebei province. The Group’s polyether is sold throughout China to manufacturers of products such as furniture sponge, automotive sponge and interior, cold chain, building insulation, plastic runway and sealant.

Industrial sector – Others

The Group also engages in other businesses, primarily (i) photovoltaics service business, (ii) new energy vehicles leasing business, (iii) security escort services and (iv) industrial investment and operation.

The Group’s photovoltaics service business is primarily conducted via two of its subsidiaries, Hubei Dinghao Intelligent Energy Co., Ltd. (湖北頂好智慧能源有限公司) and Hubei Financial Leasing. The Group’s photovoltaic business covers the entire business chain from photovoltaic equipment modules procurement, warehousing and transportation, installation and construction to power plant resale, operation and maintenance, with the business goal of creating a one-stop photovoltaic service system to become a comprehensive new energy service provider.

The Group conducts its new energy vehicles leasing business mostly through 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), a subsidiary of the Group. The subsidiary's business mainly includes the sales and leasing of new energy vehicles that are partially or fully powered by electricity, such as battery-powered electric vehicles and plug-in hybrids.

For the years ended 31 December 2021, 2022 and 2023, the Group's operating income from its other businesses RMB1,023 million, RMB860 million and RMB851 million, respectively, representing 1.9 per cent., 1.4 per cent. and 1.1 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. Some local governments have realized the importance of more stringent supervision to safeguard consumer interest. The resulting extensive annual assessments conducted by these local governments have led to the exit of less well-managed financial service providers. The Group believes that its financial strength and effective risk management control will allow it to differential itself from competitors and maintain market share.

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.

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 workplace 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 2024, the Group had approximately 9,460 employees, including 152 employees based at its headquarters, of which approximately 95.4 per cent. held a bachelor's diploma or above, 47.4 per cent. were PhD or Master's degree holders, 25 employees had work experience in the finance industry and 13 employees were graduates with a degree in finance or related fields.

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.

The Group is from time to time involved in disputes and legal proceedings arising in the ordinary course of its business. For example, Wuhan Credit Investment Group Co., Ltd. (武漢信用投資集團股份有限公司) (“**Wuhan Investment Group**”) was involved in a share purchase dispute against Dalian Friendship Group Co., Ltd. (大連友誼集團有限公司) (“**Friendship Group**”) in relation to a purchase of shares by a subsidiary of Wuhan Investment Group and others of Friendship Group's subsidiary, Dalian Friendship (Group) Co., Ltd. (大連友誼(集團)股份有限公司) (“**Dalian Friendship**”). In 2020, Friendship Group obtained a judgment against Wuhan Investment Group to pay an amount of RMB1,136 million representing the unpaid consideration in the share purchase and a late payment penalty of RMB193 million. Wuhan Investment Group and others filed a petition for retrial and received a notice of acceptance in July 2021. In March 2022, the Supreme People's Court issued a stay in the execution of the original judgment and ordered the Liaoning High Court to re-hear the case. In March 2023, the Liaoning High Court, upon review of the case, overturn the original trial judgment and remanded the case to the Dalian Intermediate Court for retrial. In June 2023, the Dalian Intermediate Court held a new first-instance trial, which is ongoing. As at the date of this Offering Circular, other than aforementioned, 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 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 consists of five members, including the chairman, the deputy chairman, an employee director and three independent directors. All the directors are appointed by Wuhan SASAC. According to the articles of association of the Issuer, the board of directors should consists of seven members.

The board of directors of the Issuer is responsible for: (1) executing the resolutions passed by Wuhan SASAC; (2) deciding on the Issuer's operation and investment plans; (3) formulating the Issuer's annual financial budget and final accounts; (4) formulating the profit distribution plan and loss recovery plans; (5) formulating plans for increasing or decreasing the registered capital of the Issuer, and the issuance of corporate bonds; (6) formulating plans for the merger, division, change of corporate form and dissolution of the Issuer; (7) deciding on the corporate governance structure setup; (8) deciding on the appointment or dismissal of the Issuer's manager and his or her remuneration, and the appointment or dismissal of the deputy managers and the financial officers of the Issuer according to the recommendation by the manager and their remuneration; (9) formulating the basic management systems of the Issuer.

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

Name	Age	Position
Mr. Mei Lin (梅林)	55	Chairman of the board of directors, party committee secretary and legal representative
Mr. Ding Zhen (丁震)	48	Vice chairman of the board of directors, general manager and deputy party committee secretary
Mr. Sun Zhengbai (孫正柏) . . .	56	Independent director
Mr. Yang Bangwen (楊邦文) . .	59	Independent director
Mr. Wu Zhanlai (吳展來)	59	Independent director

Mr. Mei Lin (梅林) has been the chairman of the board of directors, party committee secretary and legal representative of the Issuer since June 2023. Mr. Mei joined the workforce since 1990 and joined the Chinese Communist Party in 1996. He previously served as the deputy chairman of the board of directors, the general manager and a deputy party committee secretary of the Issuer, 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), a deputy manager of Qingshan District State-owned Company (青山區國資公司) and a deputy director then director of the general office of the Qingshan District Finance Bureau (青山區財政局辦公室). Mr. Mei is a member of China Communist Party and holds a bachelor's degree.

Mr. Ding Zhen (丁震) has been the vice chairman of the board of directors, general manager and deputy party committee secretary of the Issuer since June 2023. He previously served as a deputy general manager and a member of party committee of the Issuer. Mr. Lei is a member of China Communist Party and holds a master's degree.

Mr. Sun Zhengbai (孫正柏) has been an independent director of the Issuer since October 2023. Mr. Sun previously served as the vice president and member of the party committee of Hankou Bank (漢口銀行), an officer, deputy chief officer, chief officer, deputy director then director of cadre education division and a deputy inspector then a director of economic cadre division of the Organization Department of Wuhan Municipal Committee (武漢市黨委會組織部) and an officer then deputy chief officer of Wuhan Economic and Technological Development Zone Administrative Committee (武漢經濟技術開發區管委會). Mr. Sun is a member of China Communist Party and holds a master's degree.

Mr. Yang Bangwen (楊邦文) has been an independent director of the Issuer since April 2024. Mr. Yang previously served as an accountant in the finance department of the second navigation of engineering bureau of the Ministry of Transport of the PRC, the head of the finance department of the Jiangnan Third Bridge construction command of Wuhan Urban Construction Investment and Development Corporation (武漢市城市建設投資開發總公司), the head of the finance department and deputy chief accountant of Wuhan Rail Transit Co., Ltd. (武漢市軌道交通有限公司), and the head of the planning and finance department and chief accountant of Wuhan Metro Group Co., Ltd. (武漢地鐵集團有限公司). He is currently a full-time external director of Wuhan Financial Holdings (Group) Co., Ltd. Mr. Yang is a member of China Communist Party and holds a master's degree.

Mr. Wu Zhanlai (吳展來) has been an independent director of the Issuer since July 2024. Mr. Wu previously served as a section member then deputy section cadre of the Propaganda Department of Wuhan Municipal Committee of the Communist Youth League (共青團武漢市委), a deputy section officer then section officer of the Youth League Committee of the Wuhan Municipal Organisations Working Committee (武漢市委市直機關團工委), a section officer then deputy director of the Party Office, the director of the Exhibition and Festivals Office, the director of the Administration of the Travel Agents Office, the director of the Marketing Promotion Office, a deputy director then the director of the Political Affairs Office of the Wuhan Municipal Bureau of Tourism (武漢市旅遊局), a deputy general manager and member of the Party Committee of the Wuhan Tourism Development and Investment Group Co., Ltd (武漢旅遊發展投資集團有限公司) and a deputy general manager and member of the Party Committee of Wuhan Tourism and Sports Group Co., Ltd (武漢旅遊體育集團有限公司). Mr. Wu is a member of China Communist Party and holds a master's degree.

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 has issued *the Explanation on the Configuration of Supervisors of Wuhan Financial Holdings (Group) Co., Limited.* (《關於武漢金融控股(集團)有限公司監事配置的情況說明》), in which it is stated that “According to the spirit of the documents issued by the Central Government Office and State Council Office on the reform of the supervisory board of state-owned enterprises, as well as the relevant circulars issued by the Hubei SASAC and State Council SASAC, wholly state-owned enterprises no longer establish any supervisory board or appoint any supervisor. Currently, Wuhan Financial Holdings (Group) Co., Limited has not set up a supervisory board or appoint any supervisor, which does not affect the normal operation of the company.”

Senior Management

The Issuer currently has one general manager. The general manager is appointed by Jinghe Committee and reports to the board of directors of the Issuer. The general manager is primarily responsible for (1) managing executing the resolutions of the board of directors of the Issuer regarding the management and operation of the Issuer; (2) executing the Issuer's annual operation and investment plans; (3) proposing internal management structure of the Issuer; (4) proposing basic management system of the Issuer; (5) drafting detailed internal regulations; (6) proposing to appoint or dismiss deputy managers and the head of finance of the Issuer; (7) deciding on appointment and dismissal of management personnel that are not decided on by the board of directors; and (8) exercising other powers as authorised by the board of directors.

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

Name	Age	Position
Mr. Ding Zhen (丁震)	48	General manager and deputy party committee secretary
Mr. Qiu Shi (邱實)	59	Secretary of commission of discipline inspection and member of party committee
Mr. Liu Wei (劉煒)	42	Deputy general manager and member of party committee

Mr. Fang Meng (方萌)	49	Deputy general manager
Mr. Cheng Chiguang (程馳光) .	49	Deputy general manager
Mr. Wang Xingang (王新剛) . .	58	General manager assistant
Ms. Yao Yongqing (姚永晴) . .	54	Deputy chief accountant
Mr. Zheng Xianwei (鄭獻偉) . .	44	Chairman assistant, director of the party committee office and the board office

Mr. Ding Zhen (丁震) has been the general manager of the Issuer since June 2023. 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 and member of party committee of the Issuer 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. Qiu is a member of China Communist Party and holds a master's degree.

Mr. Liu Wei (劉煒) has been a deputy general manager and member of party committee of the Issuer since December 2023. He previously served as a manager assistant in Hankou Bank, an account manager in retail business department of Shenzhen Development Bank, Wuhan Branch (深圳發展銀行武漢分行), various positions at China Everbright Bank, Wuhan Branch, and a deputy director of Wuhan Local Financial Work Bureau (武漢市地方金融工作局). Mr. Liu is a member of China Communist Party and holds a bachelor's degree.

Mr. Fang Meng (方萌) has been a deputy general manager of the Issuer since October 2022. He has previously served as various positions at Wuhan Yangtze River Communication Industry Group Co., Ltd. (武漢長江通信產業集團股份有限公司), an administrative director of Wuhan Yangtze River Semiconductor Lighting Technology Co., Ltd (武漢長江半導體照明科技股份有限公司), a deputy director of investment and development department of Wuhan Economic Development and Investment Group Co., Ltd. (武漢經濟發展投資集團有限公司), and a deputy general manager of Hubei Integrated Circuit Industry Investment Fund Co., Ltd. (湖北集成電路產業投資基金股份有限公司). Mr. Fang is a member of China Communist Party and holds a master's degree and certificates of senior economist and engineer.

Mr. Cheng Chiguang (程馳光) has been a deputy general manager of the Issuer since December 2018. He also serves as the chairman of the board of directors of Jiangcheng Industrial Investment Fund (Wuhan) Co., Ltd. (江城產業投資基金(武漢)有限公司). 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) and served as general manager assistant of the Issuer. Mr. Cheng is a member of China Communist Party and holds a bachelor's degree.

Mr. Wang Xingang (王新剛) has been a general manager assistant of the Issuer since September 2011. He also serves as the chairman of the board of directors of Wuhan Baoan Group Co., Ltd. (武漢市保安集團有限責任公司). 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), Wuhan Economic Development and Investment Group Co., Ltd. and Wuhan Industry Investment Co., Ltd. (武漢工業國有投資有限公司). Mr. Wang is a member of China Communist Party and holds a bachelor's degree.

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 (武漢經濟發展投資集團有限公司資金管理中心), Wuhan Rural Commercial Bank (武漢農村商業銀行) and Wujiashan Rural Credit Cooperative, Dongxihu District (武漢東西湖區吳家山農村信用合作社). Ms. Yao is a member of China Communist Party and holds a bachelor's degree.

Mr. Zheng Xianwei (鄭獻偉) has been the director of the party committee office and the board office of the Issuer since September 2021. He previously served as various positions in at Wuhan Economic Development Investment Group Co. Ltd. Mr. Wang is a member of China Communist Party and holds a master's degree and a senior economist certificate.

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 gross proceeds of the issue of the Notes will be U.S.\$450 million before 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 net proceeds of the offering to repay existing offshore debt and engage in supply chain trade procurement in accordance with the Sustainability Financing Framework and the NDRC Certificate.

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 Renminbi continued to experience further fluctuation in value against the U.S. dollar in 2019. On 5 August 2019, the PBOC set the Renminbi daily reference rate above RMB7 per U.S. dollar for the first time in over a decade. On 15 September 2022, the Renminbi's daily reference rate again rose to above RMB7.00 per U.S. dollar. There can be no assurance as to how and to what extent the exchange rate of the Renminbi will fluctuate against the U.S. dollar or any other foreign currency in the future. 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:

Period	Renminbi per U.S.\$ Noon Buying Rate ⁽¹⁾			
	End	Average ⁽²⁾	High	Low
		(RMB per U.S.\$1.00)		
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.9042	7.1681	6.5208
2021	6.3726	6.4508	6.5716	6.3435
2022	6.8972	6.7518	7.3048	6.3084
2023	7.0999	7.0896	7.3430	6.7010
2024				
January	7.1673	7.1707	7.1961	7.1426
February	7.1977	7.1935	7.1982	7.1799
March	7.2203	7.2015	7.2289	7.1804
April	7.2401	7.2374	7.2464	7.2305
May	7.2410	7.2327	7.2494	7.2071
June	7.2672	7.2547	7.2688	7.2393
July	7.2193	7.2609	7.2758	7.2193
August	7.0900	7.1475	7.2441	7.0900
September	7.0176	7.0760	7.1209	7.0106

Notes:

- (1) Exchange rates between Renminbi and U.S. dollars 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 PRC (the “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 Urban Maintenance and Construction Tax Law of the People's Republic of China (effective on 1 September 2021), 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; 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; 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).

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.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the “**Amendment Ordinance**”) came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

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

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of 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 Organic Law of the People's Courts (中華人民共和國人民法院組織法), the judicial system is made up of the Supreme People's Court, the local courts and 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, 27 June 2017, 24 December 2021 and 1 September 2023, 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)(“**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)(“**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, 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 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)(“**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 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 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 last amended on 10 June 2021 which amendment became effective on 1 September 2021, Regulation on Work Safety Management of Construction Projects (建設工程安全生產管理條例) promulgated by State Council on 24 November 2003 which became effective on 1 February 2004, Regulation on Work Safety 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 Ministry of Construction of the PRC 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 on 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 Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Industrial Bank Co., Ltd. Hong Kong Branch, Bank of China Limited, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, Hua Xia Bank Co., Limited Hong Kong Branch, China Zheshang Bank Co., Ltd. (Hong Kong Branch), China PA Securities (Hong Kong) Company Limited, CLSA Limited, China Galaxy International Securities (Hong Kong) Co., Limited, SPDB International Capital Limited, CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, China Industrial Securities International Brokerage Limited and SunRiver International Securities Group Limited (together, the “**Joint Lead Managers**”) dated 30 October 2024 (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.

	Principal amount of the Notes (U.S.\$)
Joint Lead Managers	
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	70,500,000
Industrial Bank Co., Ltd. Hong Kong Branch	70,500,000
Bank of China Limited.	70,500,000
China International Capital Corporation Hong Kong Securities Limited.	70,500,000
China Securities (International) Corporate Finance Company Limited	70,500,000
Hua Xia Bank Co., Limited Hong Kong Branch.	70,500,000
China Zheshang Bank Co., Ltd. (Hong Kong Branch).	3,000,000
China PA Securities (Hong Kong) Company Limited	3,000,000
CLSA Limited	3,000,000
China Galaxy International Securities (Hong Kong) Co., Limited	3,000,000
SPDB International Capital Limited	3,000,000
CMBC Securities Company Limited.	3,000,000
CNCB (Hong Kong) Capital Limited	3,000,000
China Industrial Securities International Brokerage Limited.	3,000,000
SunRiver International Securities Group Limited	3,000,000
Total.	<u>450,000,000</u>

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.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIIs (including private banks)

This notice to CMIIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIIs, which require the attention and cooperation of other CMIIs (including private banks). Certain CMIIs may also be acting as OCs for the offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: cmd_dcm@cibhk.com, dcmhk@bocgroup.com, ib_projectyangtze03@cicc.com.cn, DCM_HK@csci.hk, DebtSyndicate@csci.hk, dcm@hxb.com.cn, DEPT_PACSHK_DCM@pingan.com.cn, ib.dcm.central@clsa.com, dcm@spdbi.com and dcm@cmbccap.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

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, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of 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 the 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 Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Singapore SFA Product Classification: 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, 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-N 12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or 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 relevant laws and regulations of Japan.

GENERAL INFORMATION

1. Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream under Common Code number 292265794 and the International Securities Identification Number for the Notes is XS2922657940. 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 and the execution and delivery of 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 7 February 2024 and the shareholder Wuhan SASAC on 30 April 2024. The Issuer has received a Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises dated 12 July 2024 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 31 December 2023.

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

So long as any of the Notes are outstanding, copies of the Trust Deed and the Agency Agreement will be available to the Noteholders (i) for inspection during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time), Monday to Friday except for public holidays) at the specified office for the time being of the Principal Paying Agent, being at the date of issue of the Notes at 80/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent or (ii) electronically from the Principal Paying Agent, following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent.

6. Financial Statements

The 2022 Audited Financial Statements and the 2023 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 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 6 November 2024.

INDEX TO FINANCIAL STATEMENTS

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 OF THE ISSUER

	Page
Audit's Independent Report	F-3
Consolidated Statement of Financial Position	F-7
Parent Company's Statement of Financial Position	F-9
Consolidated Income Statement	F-11
Parent Company's Income Statement	F-12
Consolidated Cash Flow Statement	F-13
Parent Company's Cash Flow Statement	F-14
Consolidated Statements of Changes in Shareholders' Equity	F-15
Parent Company's Statements of Changes in Shareholders' Equity	F-17
Notes to the Financial Statements	F-19

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 OF THE ISSUER

Audit's Independent Report	F-164
Consolidated Statement of Financial Position	F-167
Parent Company's Statement of Financial Position	F-169
Consolidated Income Statement	F-171
Parent Company's Income Statement	F-172
Consolidated Cash Flow Statement	F-173
Parent Company's Cash Flow Statement	F-174
Consolidated Statements of Changes in Shareholders' Equity	F-175
Parent Company's Statements of Changes in Shareholders' Equity	F-177
Notes to the Financial Statements	F-179

Wuhan Financial Holdings (Group) Co., Ltd.

FY 2022

Independent Auditor's Report

CONTENTS	Page
Independent Auditor's Report	
Audited Financial Statements	
—Consolidated Statement of Financial Position	1-2
—Parent Company's Statement of Financial Position	3-4
—Consolidated Income Statement	5
—Parent Company's Income Statement	6
—Consolidated Cash Flow Statement	7
—Parent Company's Cash Flow Statement	8
—Consolidated Statement of Changes in Shareholders' Equity	9-10
—Parent Company's Statement of Changes in Shareholders' Equity	11-12
—Notes to the Financial Statements	13-152

Independent Auditors' Report

XYZH/2023WHAS1B0164

Wuhan Financial Holdings (Group) Co., Ltd.:

I. Audit opinion

We have audited the financial statements of Wuhan Financial Holdings (Group) Co., Ltd. (hereinafter referred to as "Wuhan Jinkong Group"), including the Consolidated and Parent Company's Statement of Financial Position as at December 31st, 2022, Consolidated and Parent Company's Income Statement, Consolidated and Parent Company's Cash Flow Statement, Consolidated and Parent Company's Statement of Changes in Shareholders' Equity for 2022, and Notes to the Financial Statements.

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, 2022 and the operating results and cash flows of 2022.

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 the 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 the 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.

ShineWing Certified Public Accountants

LLP



Chinese Certified Public Accountant:

刘克勤

Chinese Certified Public Accountant:

胡静

Wuhan Branch

April 28th, 2023

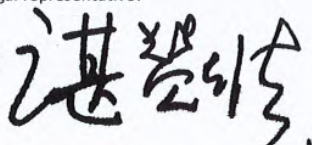
武汉控股(集团)有限公司
Consolidated Statement of Financial Position
 December 31st, 2022
 Prepared by: Wuhan Financial Holdings (Group) Co., Ltd. Unit: RMB

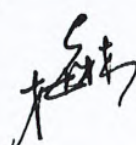
Item	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents	VIII. 1.	9,320,151,577.18	11,431,422,613.71
△ Provision of settlement funds			
△ Loans to banks and other financial institutions			
☆ Financial assets held for trading	VIII. 2.	5,013,003,374.19	6,009,784,060.25
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	VIII.3.	810,610,786.12	765,881,953.06
Accounts receivable	VIII.4.	2,109,755,844.32	2,109,820,148.29
☆ Receivables financing	VIII.5.	59,494,897.71	47,556,825.75
Prepayments	VIII.6.	6,817,831,108.91	4,366,058,048.86
△ Receivable premium			
△ Cession premium receivable			
△ Provision of cession receivable			
Other receivables	VIII. 7.	13,133,946,303.57	9,258,482,969.16
Including: Dividends receivable		3,332,665.60	4,948,969.26
△ Buying back the sale of financial assets			
Inventories	VIII. 8.	13,819,480,199.92	12,566,675,668.20
Including: Raw materials		221,300,045.05	187,991,597.97
Stock goods (finished goods)		8,429,560,577.20	7,423,422,325.42
☆ Contract assets			
Assets held for sale			
Non-current assets due within one year	VIII. 9.	17,791,444,471.44	16,150,031,305.56
Other current assets	VIII. 10.	29,038,553,764.86	29,020,223,581.25
Total current assets		97,914,272,328.22	91,725,937,174.09
Non-current assets:			
△ Loans and advances			
☆ Debt investments	VIII. 11.	8,062,227,565.19	7,592,507,699.97
Available-for-sale financial assets			
☆ Other debt investments	VIII. 12.	715,185,916.31	720,166,272.36
Held-to-maturity investments			
Long-term receivables	VIII. 13.	29,647,448,591.26	23,380,143,925.84
Long-term equity investments	VIII. 14.	10,109,465,768.97	9,707,536,428.19
☆ Investment in other equity instruments	VIII. 15.	6,499,956,307.32	6,759,208,357.27
☆ Other non-current financial assets	VIII. 16.	3,802,439,752.16	3,638,802,849.56
Investment properties	VIII. 17.	3,509,532,814.23	1,197,914,827.33
Fixed assets	VIII. 18.	4,387,794,021.53	4,881,650,832.76
Including: Original value of fixed assets		9,830,684,861.50	9,938,804,837.97
Accumulated depreciation		5,382,201,377.56	4,993,231,349.17
Provision for impairment of fixed assets		61,306,277.79	64,193,329.48
Construction in progress	VIII. 19.	2,727,438,688.86	2,572,477,357.13
Productive biological assets	VIII. 20.	789,071.87	991,008.52
Oil and gas assets			
☆ Right-of-use assets	VIII. 21.	82,781,959.86	98,588,672.15
Intangible assets	VIII. 22.	1,829,827,992.73	1,958,694,260.07
Development expenditures	VIII. 23.	45,354,246.30	39,353,010.28
Goodwill	VIII. 24.	5,371,625,691.49	5,371,362,046.63
Long-term deferred expenses	VIII. 25.	81,619,324.10	112,598,180.81
Deferred tax assets	VIII. 26.	2,602,608,892.91	2,643,378,539.91
Other non-current assets	VIII. 27.	514,915,438.48	440,691,673.76
Including: Special material reserve			
Total non-current assets		79,991,012,043.57	71,116,065,942.54
Total assets		177,905,284,371.79	162,842,003,116.63

Legal representative:

Principal in charge of accounting:

Head of accounting







Consolidated Statement of Financial Position (Continued)

December 31st, 2022

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	Note	Closing balance	Opening balance
Current liabilities:			
Short-term loans	VIII. 28.	13,635,325,600.85	9,321,826,968.97
△ Borrowings from the Central Bank			
△ Borrowings from banks and other financial institutions			
☆ Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	VIII. 29.	1,185,754,726.19	1,150,991,141.12
Accounts payable	VIII. 30.	1,157,535,744.92	823,137,152.13
Advance from customers	VIII. 31.	212,671,446.93	452,480,458.83
☆ Contract liabilities	VIII. 32.	5,067,603,304.92	3,859,021,993.10
△ 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	VIII. 33.	300,120,983.16	313,827,030.23
Including: Salary payable		225,280,331.74	247,723,939.10
Welfare expenses payable		3,955,495.24	4,723,057.40
# Including: Bonus and welfare funds			
Stock goods (finished goods)	VIII. 34.	1,525,215,536.86	1,778,236,556.71
Including: Taxes payable		1,513,800,399.56	1,764,501,517.04
Other payables	VIII. 35.	8,527,484,794.72	8,875,582,725.96
Including: Dividends payable		263,838,924.76	220,537,221.18
△ Handling charges and commissions payable			
△ Reinsurance accounts payable			
Held-for-trading liabilities			
Non-current liabilities due within one year	VIII. 36.	19,104,654,763.47	10,728,490,944.82
Other current liabilities	VIII. 37.	45,016,084,157.19	35,833,025,018.62
Total current liabilities		95,732,451,059.21	73,136,619,990.49
Non-current liabilities:			
△ Provision for insurance contracts			
Long-term loans	VIII. 38.	20,651,903,245.69	20,805,102,249.32
Bonds payable	VIII. 39.	20,463,208,708.49	27,622,236,598.74
Including: Preference share			
Perpetual bond			
☆ Lease liabilities	VIII. 40.	77,511,688.11	95,427,215.57
Long-term payables	VIII. 41.	5,338,641,623.21	4,780,915,518.95
Long-term employee benefits payable	VIII. 42.	39,633,150.00	28,641,422.09
Accumulated depreciation	VIII. 43.	198,578,403.09	30,105,072.29
Provision for impairment of fixed assets	VIII. 44.	295,182,962.26	228,569,904.61
Deferred tax liabilities	VIII. 26.	201,697,787.41	181,106,757.37
Other non-current liabilities	VIII. 45.	383,806,985.34	1,727,999,614.43
Including: authorized reserve fund			
Total non-current liabilities		47,650,164,553.60	55,500,104,353.37
Total liabilities		143,382,615,612.81	128,636,724,343.86
Owners' equity			
Paid-in capital (or share capital)	VIII. 46.	8,318,049,395.60	7,560,000,000.00
National capital			
State-owned legal representative capital		8,318,049,395.60	7,560,000,000.00
Collective capital			
Private capital			
Foreign capital			
# Less: Investment returned			
Net paid-in capital (or share capital)		8,318,049,395.60	7,560,000,000.00
Other equity instruments	VIII. 47.	4,200,000,000.00	3,600,000,000.00
Including: Preference share			
Perpetual bond		4,200,000,000.00	3,600,000,000.00
Capital reserves	VIII. 48.	6,842,320,531.88	6,568,156,635.04
Less: Treasury share			
Other comprehensive income		-303,433,180.77	-79,140,585.95
Including: Foreign currency translation differences		-30,675,532.31	-31,989,144.47
Special reserve	VIII. 49.	3,117,081.50	3,117,081.50
Surplus reserves	VIII. 50.	382,382,923.77	382,382,923.77
Including: Statutory surplus reserve		382,382,923.77	382,382,923.77
Discretionary surplus reserve			
# Reserve funds			
# Enterprise expansion funds			
# Profit distribution to investor			
△ General risk reserve	VIII. 51.	961,498,896.45	773,796,949.84
Undistributed profit	VIII. 52.	-1,948,150,500.16	-1,022,090,267.04
Total owners' equity attributable to the parent company		18,455,785,148.27	17,786,222,737.16
* Non-controlling interests		16,066,883,610.71	16,419,056,035.61
Total owners' equity		34,522,668,758.98	34,205,278,772.77
Total liabilities and owners' equity		177,905,284,371.79	162,842,003,116.63

Legal representative:

Principal in charge of accounting:

Head of accounting department:

林宋印家

林宋印家

林宋印家

Parent Company's Statement of Financial Position

December 31st, 2022

Prepared by: Wuhua Financial Holdings (Group) Co., Ltd.

Unit: RMB

	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents		1,262,992,005.55	2,908,492,908.51
△Provision of settlement funds			
△Loans to banks and other financial institutions			
☆Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	XII. 1.		
☆Receivables financing			
Prepayments		702,659,565.90	486,647,757.46
△Receivable premium			
△Cession premium receivable			
△Provision of cession receivable			
Other receivables	XII. 2.	6,527,542,760.99	4,398,517,268.80
Including: Dividends receivable			
△Buying back the sale of financial assets			
Inventories		309,518.00	309,518.00
Including: Raw materials			
Stock goods (finished goods)			
☆Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets		8,493,503,850.44	7,793,967,452.77
Non-current assets:		---	---
△Loans and advances			
☆Debt investments			
Available-for-sale financial assets			
☆Other debt investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	XII. 3.	37,983,480,949.99	36,152,528,802.88
☆Investment in other equity instruments		6,058,469,193.14	6,289,276,039.10
☆Other non-current financial assets		2,436,035,275.60	2,210,234,820.78
Investment properties			
Fixed assets		9,986,327.67	8,936,160.73
Including: Original value of fixed assets		33,439,623.68	30,383,176.72
Accumulated depreciation		23,453,296.01	21,447,015.99
Provision for impairment of fixed assets			
Construction in progress			
Productive biological assets			
Oil and gas assets			
☆Right-of-use assets			
Intangible assets		2,772,861.34	3,480,825.95
Development expenditure			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets		64,177.50	64,177.50
Other non-current assets			
Including: Special material reserve			
Total non-current assets		46,490,808,785.24	44,664,520,826.94
Total assets		54,984,312,635.68	52,458,488,279.71

Legal representative:

Principal in charge of accounting:

Head of accounting department:

林宋印家

林宋印家

林宋印家



Parent Company's Statement of Financial Position (Continued)

December 31st, 2022

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	Note	Closing balance	Opening balance
Current liabilities:			
Short-term loans		3,901,317,061.90	2,800,000,000.00
△ Borrowings from the Central Bank			
△ Borrowings from banks and other financial institutions			
☆ Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		473,273.44	1,537,214.28
Advance from customers		1,291,687.85	1,291,287.85
☆ 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		12,981,196.83	13,198,124.22
Including: Salary payable			
Welfare expenses payable			
# Including: Bonus and welfare funds			
Stock goods (finished goods)		8,618,918.39	2,938,795.45
Including: Taxes payable		8,338,674.42	2,937,857.00
Other payables		4,607,817,659.55	3,269,169,872.97
Including: Dividends payable			
△ Handling charges and commissions payable			
△ Reinsurance accounts payable			
Held-for-trading liabilities			
Non-current liabilities due within one year		6,319,800,000.00	3,788,862,964.93
Other current liabilities		3,018,776,986.28	
Total current liabilities		17,871,076,784.24	9,876,998,259.70
Non-current liabilities:			
△ Provision for insurance contracts			
Long-term loans		6,432,209,626.66	6,097,900,000.00
Bonds payable		13,942,398,276.93	19,727,250,350.44
Including: Preference share			
Perpetual bond			
☆ Lease liabilities			
Long-term payables		15,000,000.00	15,000,000.00
Long-term employee benefits payable			
Accumulated depreciation			4,188,969.20
Provision for impairment of fixed assets			
Deferred tax liabilities			
Other non-current liabilities			
Including: authorized reserve fund			
Total non-current liabilities		20,389,607,903.59	25,844,339,319.64
Total liabilities		38,260,684,687.83	35,721,337,579.34
Owners' equity			
Paid-in capital (or share capital)		8,318,049,395.60	7,560,000,000.00
National capital			
State-owned legal representative capital		8,318,049,395.60	7,560,000,000.00
Collective capital			
Private capital			
Foreign capital			
# Less: Investment returned			
Net paid-in capital (or share capital)		8,318,049,395.60	7,560,000,000.00
Other equity instruments		4,200,000,000.00	3,600,000,000.00
Including: Preference share			
Perpetual bond		4,200,000,000.00	3,600,000,000.00
Capital reserve		6,497,746,870.44	6,100,970,135.63
Less: Treasury share			
Other comprehensive income		-292,912,051.98	-57,893,326.52
Including: Foreign currency translation differences			
Special reserve			
Surplus reserve		382,382,923.77	382,382,923.77
Including: Statutory surplus reserve		382,382,923.77	382,382,923.77
Discretionary surplus reserve			
# Reserve funds			
# Enterprise expansion funds			
# Profit distribution to investor			
△ General risk reserve			
Undistributed profits		-2,381,639,189.98	-848,309,032.51
Total owners' equity		16,723,627,947.85	16,737,150,700.37
Total liabilities and owners' equity		54,984,312,635.68	52,458,488,279.71

Legal representative

Principal in charge of accounting:

Head of accounting department:



Consolidated Income Statement
FY 2022

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

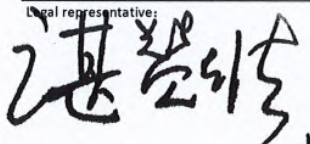
Unit: RMB

Item	Note	2022	2021
I. Total operating income		59,852,785,031.37	52,652,473,678.10
Including: Operating income	VIII. 53.	59,852,785,031.37	52,652,473,678.10
△Interest income			
△Premiums earned			
△Handling charges and commissions income			
II. Total operating cost		58,995,627,583.43	51,299,033,986.58
Including: Operating cost	VIII. 53.	52,697,515,385.33	45,169,139,516.83
△Interest expenses			
△Handling charges and commissions expenses			
△Surrender value			
△Net expenditure for compensation payments			
△Net withdrawal of insurance liability reserve			
△Bonus payment for policy			
△Reinsurance costs			
Tax and surcharges		200,595,052.57	215,263,387.10
Selling expenses	VIII. 54.	315,674,307.09	338,050,103.51
General and administrative expenses	VIII. 54.	1,573,020,889.73	1,539,377,306.51
Research and development expenses	VIII. 54.	150,224,797.68	99,113,137.01
Financial expenses	VIII. 54.	4,058,597,151.03	3,938,090,535.62
Stock goods (finished goods)		3,785,197,249.47	4,067,445,709.82
Interest income		132,951,938.74	169,939,345.58
Exchange net loss (Net income marked with "-")		258,018,446.39	-62,680,758.48
Other			
Add: Other income	VIII. 55.	307,580,920.31	171,754,616.11
Investment income (Loss marked with "-")	VIII. 56.	531,370,368.97	1,062,333,058.68
Including: Investment income from associates and joint ventures		340,665,891.26	347,123,602.19
☆Gain on derecognition of financial assets measured at amortized cost			
△Exchange earnings (Loss marked with "-")			
☆Net exposure to hedging gains (Loss marked with "-")			
Income from change in fair value (Loss marked with "-")	VIII. 57.	185,051,542.55	254,883,605.04
☆Credit impairment losses (Loss marked with "-")	VIII. 58.	16,406,366.59	-249,225,499.01
Impairment loss on assets (Loss marked with "-")	VIII. 59.	-67,328,019.91	-90,297,250.97
Income from disposal of assets (Loss marked with "-")	VIII. 60.	31,172,805.79	171,344,619.44
III. Operating profit (Loss marked with "-")		1,861,411,432.24	2,674,232,840.81
Add: Non-operating income	VIII. 61.	126,709,813.61	63,509,663.02
Including: Government grants		4,997,590.80	4,019,433.25
Less: Non-operating expenses	VIII. 62.	212,119,240.53	45,245,387.17
IV. Total profits (Total loss marked with "-")		1,776,002,005.32	2,692,497,116.66
Less: Income tax expenses	VIII. 63.	920,165,703.62	977,641,701.23
V. Net profits (Net loss marked with "-")		855,836,301.70	1,714,855,415.43
(1) Classified by ownership			
Net profit attributable to owners of parent company		108,268,775.11	1,176,609,001.81
*Non-controlling interests		747,567,526.59	538,246,413.62
(2) Classified by business continuity			
Net profits from continuing operations		855,836,301.70	1,714,855,415.43
Net profits of discontinuing operations			
VI. Net after-tax amount of other comprehensive income		-221,321,363.06	-38,810,578.91
The net after-tax amount of other comprehensive income attributable to owners of parent company	VIII. 64.	-224,292,594.82	-38,784,965.40
(1) Other comprehensive income that cannot be reclassified into profit or loss		-236,152,489.94	-6,248,940.04
1.Remeasurement of changes in defined benefit plans			
2.Other comprehensive income not converted into profit or loss under the equity method		-6,183,495.50	
☆3.Changes in fair value of investments in other equity instruments		-229,968,994.44	-6,248,940.04
☆4.Changes in fair value of an enterprise's own credit risk			
5.Others			
(2) Other comprehensive income reclassified into profit or loss		11,859,895.12	-32,536,025.36
1.Other comprehensive income converted into profit or loss under the equity method		1,950,824.02	-27,328,104.14
☆2.Changes in fair value of other debt investments			
3.Profit and loss from fair value changes of available-for-sale financial assets			
☆4.Reclassification of financial assets to other comprehensive income			
5.Gains and losses for held-to-maturity investments that are reclassified into available-for-sale financial assets			
☆6.Provision for credit impairment of other debt investments			
7.Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
8.Translation difference of foreign currency statements		1,783,079.06	-5,207,921.22
9.Others		8,125,992.04	
*Net other comprehensive income attributable to non-controlling interests after tax		2,971,231.76	-25,613.51
VII. Total comprehensive income		634,514,938.64	1,676,044,836.52
Total comprehensive income attributable to owners of parent company		-116,023,819.71	1,137,824,036.41
*Total comprehensive income attributable to non-controlling interests		750,538,758.35	538,220,800.11
VIII. Earnings per share:			
(1) Basic earnings per share			
(2) Diluted earnings per share			

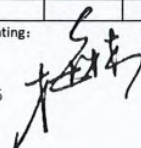
Legal representative:

Principal in charge of accounting:

Head of accounting department:



5







Parent Company's Income Statement

FY 2022

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	Note	2022	2021
I. Total operating income	XII. 4.	499,442,870.71	650,320,367.08
Including: Operating income		499,442,870.71	650,320,367.08
△ Interest income			
△ Premiums earned			
△ Handling charges and commissions income			
II. Total operating cost		1,658,346,438.53	734,106,930.69
Including: Operating cost	XII. 4.		
△ Interest expenses			
△ Handling charges and commissions expenses			
△ Surrender value			
△ Net expenditure for compensation payments			
△ Net withdrawal of insurance liability reserve			
△ Bonus payment for policy			
△ Reinsurance costs			
Tax and surcharges		5,048,933.51	6,818,210.18
Selling expenses			
General and administrative expenses		109,027,955.24	104,196,288.61
Research and development expenses			
Financial expenses		1,544,269,549.78	623,092,431.90
Stock goods (finished goods)		1,262,677,798.34	676,352,064.41
Interest income		32,674,032.08	32,363,496.78
Exchange net loss (Net income marked with "-")		265,001,079.54	-65,950,353.39
Other			
Add: Other income		1,756,944.20	277,131.86
Investment income (Loss marked with "-")	XII. 5.	-34,270,356.07	273,623,575.52
Including: Investment income from associates and joint ventures		-45,015,043.00	41,627,367.27
☆ Gain on derecognition of financial assets measured at amortized cost			
△ Exchange earnings (Loss marked with "-")			
☆ Net exposure to hedging gains (Loss marked with "-")			
Income from change in fair value (Loss marked with "-")		225,800,454.82	-184,931,345.43
☆ Credit impairment losses (Loss marked with "-")		4,188,969.20	-62,608,695.65
Impairment loss on assets (Loss marked with "-")			
Income from disposal of assets (Loss marked with "-")			216,578.87
III. Operating profit (Loss marked with "-")		-961,427,555.67	-57,209,318.44
Add: Non-operating income		2,935.67	1,394.16
Including: Government grants			
Less: Non-operating expenses		687,737.47	500,777.84
IV. Total profits (Total loss marked with "-")		-962,112,357.47	-57,708,702.12
Less: Income tax expenses			
V. Net profits (Net loss marked with "-")		-962,112,357.47	-57,708,702.12
(1) Net profits from continuing operations		-962,112,357.47	-57,708,702.12
(2) Net profits of discontinuing operations			
VI. Net after-tax amount of other comprehensive income		-235,018,725.46	-35,029,015.43
(1) Other comprehensive income that cannot be reclassified into profit or loss		-236,990,341.46	-7,823,960.88
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income not converted into profit or loss under the equity method		-6,183,495.50	-
☆ 3. Changes in fair value of investments in other equity instruments		-230,806,845.96	-7,823,960.88
☆ 4. Changes in fair value of an enterprise's own credit risk			
5. Others			
(2) Other comprehensive income reclassified into profit or loss		1,971,616.00	-27,205,054.55
1. Other comprehensive income converted into profit or loss under the equity method		1,971,616.00	-27,205,054.55
☆ 2. Changes in fair value of other debt investments			
3. Profit and loss from fair value changes of available-for-sale financial assets			
☆ 4. Reclassification of financial assets to other comprehensive income			
5. Gains and losses for held-to-maturity investments that are reclassified into available-for-sale financial assets			
☆ 6. Provision for credit impairment of other debt investments			
7. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
8. Translation difference of foreign currency statements			
9. Others			
VII. Total comprehensive income		-1,197,131,082.93	-92,737,717.55
VIII. Earnings per share:			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Cash Flow Statement

FY 2022

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	2022	2021
I. Cash flow from operating activities:		
Cash received from sales of goods or provision of services	60,668,909,365.56	55,437,809,068.16
△Net increase in customer deposits and interbank deposits		
△Net increase in borrowing from the central bank		
△Net increase in borrowing from other financial institutions		
△Cash received for original insurance contract premiums		
△Net cash received from reinsurance business		
△Net increase in funds and investments for policyholders		
△Net increase from disposal of financial assets measured at fair value through profit or loss		
△Cash from receiving interest, handling charges and commissions		
△Net increase in borrowing funds		
△Net increase in funds from repurchase business		
△Net cash received from agency trading of securities		
Received tax refunds	189,489,561.18	72,911,008.38
Cash received related to other operating activities	65,618,292,453.98	82,347,192,977.07
Subtotal of cash inflow from operating activities	126,476,691,380.72	137,857,913,053.61
Cash paid for purchase of goods and acceptance of services	57,498,284,857.31	49,080,847,924.11
△Net increase in customer loans and advances		
△Net increase in the central bank and interbank deposits		
Stock goods (finished goods)		
△Net increase in funds disbursed		
△Cash payment of interest, handling charges and commissions		
△Cash paid for policy bonus		
Cash paid to and on behalf of employees	1,660,511,381.31	1,678,437,679.41
Taxes paid	2,213,667,738.52	2,306,024,325.22
Cash paid related to other operating activities	66,497,939,491.47	81,964,307,838.78
Subtotal of cash outflows from operating activities	127,870,403,468.61	135,029,617,767.52
Net cash flow from operating activities	-1,393,712,087.89	2,828,295,286.09
II. Cash flow from investing activities:		
Cash received from disinvestment	8,643,281,215.90	9,604,424,597.10
Cash received from the return of investment	697,734,886.20	846,376,237.46
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	46,024,555.98	6,482,883.59
Net cash received from disposal of subsidiaries and other business units		648,985,595.41
Cash received related to other investing activities	901,521,533.99	1,324,094,089.86
Subtotal of cash inflow from investing activities	10,288,562,192.07	12,430,363,403.42
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets	1,353,120,764.75	669,181,619.67
Cash paid for investment	11,025,975,723.66	15,053,866,872.90
△Net increase in pledged loans		
Accumulated depreciation	359,652.43	-181,909,997.82
Provision for impairment of fixed assets	928,391,216.13	1,986,452,521.00
Subtotal of cash outflows from investing activities	13,307,847,356.97	17,527,591,015.75
Net cash flow from investing activities	-3,019,285,164.90	-5,097,227,612.33
III. Cash flow from financing activities:		
Cash received from external investment	1,457,548,500.00	4,828,625,655.12
Including: Cash from investments of non-controlling interests of subsidiaries		
Cash received from loans granted	44,671,363,725.84	24,984,685,128.25
Cash received relating to other financing activities	2,066,817,055.07	14,538,656,553.01
Subtotal cash inflow from financing activities	48,195,729,280.91	44,351,967,336.38
Payment of debt in cash	37,926,470,010.74	24,864,660,644.31
Cash used to pay dividends, profits, or interest payments	5,956,127,838.65	5,416,959,869.45
Including: Dividends and profits paid to non-controlling interests by subsidiaries		
Cash paid related to other financing activities	2,118,357,290.45	11,279,723,201.85
Subtotal cash outflow from financing activities	46,000,955,139.84	41,561,343,715.61
Net cash flow from financing activities	2,194,774,141.07	2,790,623,620.77
IV. Impact of exchange rate fluctuations on cash and cash equivalents	6,045,258.47	-11,536,240.39
V. Net increase in cash and cash equivalents	-2,212,177,853.25	510,155,054.14
Add: Opening balance of cash and cash equivalents	10,809,663,109.68	10,299,508,055.54
VI. Closing balance of cash and cash equivalents	8,597,485,256.43	10,809,663,109.68

Legal representative:

Principal in charge of accounting:

Head of accounting department:

林宋印家

7

林宋印家

Parent Company's Cash Flow Statement

FY 2022

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	Note	2022	2021
I. Cash flow from operating activities:			
Cash received from sales of goods or provision of services		44,540,133.56	233,390,453.07
Received tax refunds			
Cash received related to other operating activities		9,461,918,205.35	8,273,705,017.10
Subtotal of cash inflow from operating activities		9,506,458,338.91	8,507,095,470.17
Cash paid for purchase of goods and acceptance of services			
Cash paid to and on behalf of employees		45,705,497.01	51,349,832.75
Taxes paid		31,215,819.55	39,882,078.79
Cash paid related to other operating activities		9,786,572,376.93	5,996,693,469.42
Subtotal of cash outflows from operating activities		9,863,493,693.49	6,087,925,380.96
Net cash flow from operating activities		-357,035,354.58	2,419,170,089.21
II. Cash flow from investing activities:			
Cash received from disinvestment		300,000,000.00	
Cash received from the return of investment		59,124,360.06	2,244,980,438.43
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets			254,000.00
Net cash received from disposal of subsidiaries and other business units			
Cash received related to other investing activities			
Subtotal of cash inflow from investing activities		359,124,360.06	2,245,234,438.43
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		4,203,701.19	4,856,142.66
Stock goods (finished goods)		1,830,000,000.00	6,869,999,999.98
Net cash paid for the acquisition of subsidiaries and other business units			
Cash paid related to other investing activities			
Subtotal of cash outflows from investing activities		1,834,203,701.19	6,874,856,142.64
Net cash flow from investing activities		-1,475,079,341.13	-4,629,621,704.21
III. Cash flow from financing activities:			
Cash received from external investment		756,401,500.00	
Cash received from loans granted		21,993,970,000.00	5,819,000,000.00
Cash received relating to other financing activities			11,629,912,255.09
Subtotal cash inflow from financing activities		22,750,371,500.00	17,448,912,255.09
Payment of debt in cash		20,425,125,929.88	7,923,961,336.11
Cash used to pay dividends, profits, or interest payments		2,089,310,546.65	1,744,473,966.09
Cash paid related to other financing activities		49,325,000.00	5,355,182,757.46
Subtotal cash outflow from financing activities		22,563,761,476.53	15,023,618,059.66
Net cash flow from financing activities		186,610,023.47	2,425,294,195.43
IV. Impact of exchange rate fluctuations on cash and cash equivalents		3,769.28	-5,868,856.11
V. Net increase in cash and cash equivalents		-1,645,500,902.96	208,973,724.32
Add: Opening balance of cash and cash equivalents		2,908,492,908.51	2,699,519,184.19
VI. Closing balance of cash and cash equivalents		1,262,992,005.55	2,908,492,908.51

Legal representative:

Principal in charge of accounting:

Head of accounting department:



Consolidated Statement of Changes in Shareholders' Equity
FY2022

Item	Current year amount														Unit: RMB
	Equity attributable to shareholders of the parent company														
	Paid-in capital	Preferred share	Other equity instruments		Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	△ General risk reserve	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity	
Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1. Closing balance of last year	7,560,000,000.00	-	3,600,000,000.00	-	6,568,156,635.04	-	-79,140,585.95	3,117,081.50	382,382,923.77	773,796,949.84	-1,002,090,267.04	17,786,222,737.16	16,419,056,035.61	34,205,278,772.77	
Add: Impact from changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Impact from corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Opening balance of current year	7,560,000,000.00	-	3,600,000,000.00	-	6,568,156,635.04	-	-79,140,585.95	3,117,081.50	382,382,923.77	773,796,949.84	-1,002,090,267.04	17,786,222,737.16	16,419,056,035.61	34,205,278,772.77	
3. Movement for current year ("+" for increase)	758,049,395.60	-	600,000,000.00	-	274,163,896.84	-	-224,292,594.82	-	-	187,701,946.61	-916,960,331.12	669,562,411.11	-352,172,424.90	317,389,986.21	
(1) Total comprehensive income	-	-	-	-	-	-	-224,292,594.82	-	-	-	108,268,775.11	-116,023,819.71	750,538,758.35	634,514,938.64	
(2) Shareholder's contributions and withdrawals of capital	758,049,395.60	-	600,000,000.00	-	319,163,134.84	-	-	-	-	-	-1,111,973.84	1,676,100,556.60	-855,963,121.10	820,137,435.50	
1) Common stock contributed by shareholders	758,049,395.60	-	-	-	-	-	-	-	-	-	-	758,049,395.60	-810,823,682.14	-52,774,286.54	
2) Capital contributed by other equity instruments holders	-	-	600,000,000.00	-	-	-	-	-	-	-	-	600,000,000.00	-	600,000,000.00	
3) Share-based payment recorded in shareholder's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4) Others	-	-	-	-	319,163,134.84	-	-	-	-	-	-1,111,973.84	318,051,161.00	-45,139,438.96	272,911,722.04	
(3) Withdrawal and use of special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1) Withdrawal of special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2) Use of special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Stock goods (finished goods)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1) Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	187,701,946.61	-1,033,217,034.39	-890,514,325.78	-246,748,062.15	-1,137,262,387.93	
Including: Statutory reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discretionary reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Enterprise development fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Return on investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2) Extraction of general risk reserves	-	-	-	-	-	-	-	-	-	187,701,946.61	-187,701,946.61	-	-	-	
3) Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-366,237,800.00	-366,237,800.00	-246,748,062.15	-613,035,861.15	
4) Others	-	-	-	-	-44,999,238.00	-	-	-	-	-	-479,227,287.78	-524,226,525.78	-	-524,226,525.78	
(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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing balance of current year	8,318,049,395.60	-	4,200,000,000.00	-	6,842,320,531.88	-	-303,483,180.77	3,117,081.50	382,382,923.77	961,498,896.45	-1,944,150,500.16	18,455,785,148.27	16,066,883,610.71	34,522,668,750.98	

Head of accounting department:

Principal in charge of accounting:



Handwritten signature of the Head of Accounting Department.

Handwritten signature of the Principal in Charge of Accounting.

Consolidated Statement of Changes in Shareholders' Equity (Continued)

FY2022

Unit: RMB

UNIT: RMB														
Item	Prior year amount													Total shareholders' equity
	Equity attributable to shareholders of the parent company					Other equity instruments								
Paid in capital	Preferre	Perpetual bond	Other	Capital reserve	less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	△ General risk reserve	Undistributed profits	Subtotal	Non-controlling interests		
15	16	17	18	19	20	21	22	23	24	25	26	27	28	
Column														
1. Closing balance of last 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	4,306,347,029.63	20,502,851,356.99	18,044,869,268.15	38,547,726,625.14	
										</				

Legal representative: Principal in charge of accounting: Head of accounting department:

林宋印家

10

Parent Company's Statement of Changes in Shareholders' Equity
FY2022

Unit: RMB											
Note	Current year amount						Total shareholders' equity				
	Paid-in capital	Preferred	Other equity instruments		Capital reserve	Less: treasury share		Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits
Column	1	2	3	4	5	6	7	8	9	10	11
A. Closing balance of last year	7,560,000,000.00		3,600,000,000.00		6,100,970,135.63		-57,893,326.52		382,382,923.77	-848,309,032.51	16,737,150,700.37
Add: Impact from changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Impact from corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others											
B. Opening balance of current year	7,560,000,000.00		3,600,000,000.00		6,100,970,135.63		-57,893,326.52		382,382,923.77	-848,309,032.51	16,737,150,700.37
C. Movement for current year ("-" for decrease)	758,049,395.60		600,000,000.00		396,776,734.81		-235,018,725.46		-	-1,533,330,157.47	-13,522,752.52
(1) Total comprehensive income	-	-	-	-	-	-	-235,018,725.46	-	-	-962,112,357.47	-1,197,131,082.93
(2) Shareholder's contributions and withdrawals of capital	758,049,395.60		600,000,000.00		396,776,734.81						1,754,826,130.41
1) Common stock contributed by shareholders	758,049,395.60	-	-			-	-	-	-	-	758,049,395.60
2) Capital contributed by other equity instruments holders			600,000,000.00			-	-	-	-	-	600,000,000.00
3) Share-based payment recorded in shareholder's equity		-	-	-		-	-	-	-	-	
4) Others		-	-	-	396,776,734.81						396,776,734.81
(3) Withdrawal and use of special reserve											
1) Withdrawal of special reserve	-	-	-	-	-	-	-	-	-	-	
2) Use of special reserve	-	-	-	-	-	-	-	-	-	-	
(4) Profits distribution											
Stock goods (finished goods)	-	-	-	-	-	-	-	-	-		
Including: Statutory reserve fund	-	-	-	-	-	-	-	-	-		
Discretionary reserve	-	-	-	-	-	-	-	-	-		
# Reserve fund	-	-	-	-	-	-	-	-	-		
# Enterprise development fund	-	-	-	-	-	-	-	-	-		
# Return on investment	-	-	-	-	-	-	-	-	-		
2) Distribution to shareholders	-	-	-	-	-	-	-	-	-	-366,287,800.00	-366,287,800.00
3) Others										-204,930,000.00	-204,930,000.00
(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											
D. Closing balance of current year	8,318,049,395.60		4,200,000,000.00		6,497,746,870.44		-292,912,051.98		382,382,923.77	-2,381,639,189.98	16,723,627,947.85

Legal representative: Principal in charge of accounting: Head of accounting department:

林宋印家

Parent Company's Statement of Changes in Shareholders' Equity (Continued)

FY2022

Item	Note	Paid-in capital				Other equity instruments				Capital reserve	Less: treasury share	Prior year amount			Special reserve	Surplus reserve	△ General risk reserve	Undistributed profits	Total shareholders' equity
		12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1. Closing balance of last year		4,310,963,080.16		4,600,000,000.00		5,889,141,634.54		-29,884,198.70		22,372,098.54		21	22	23	24	25	26	27	28
Add: Impact from changes in accounting policies																			
Impact from corrections of errors in prior period																			
Others																			
2. Opening balance of current year		4,310,963,080.16		4,600,000,000.00		5,889,141,634.54		-29,884,198.70		22,372,098.54		21	22	23	24	25	26	27	28
3. Movement for current year ("+" for increase)		3,249,036,919.84		-1,000,000,000.00		211,828,501.09		-35,029,015.43		360,010,825.23		-4,004,608,747.19	-1,218,761,516.46	-92,737,717.55	-788,171,498.91	-1,000,000,000.00	-1,000,000,000.00	-1,000,000,000.00	-1,000,000,000.00
(1) Total comprehensive income																			
(2) Shareholder's contributions and withdrawals of capital																			
1) Common stock contributed by shareholders																			
2) Capital contributed by other equity instruments holders																			
3) Share-based payment recorded in shareholder's equity																			
4) Others																			
(3) Withdrawal and use of special reserve																			
1) Withdrawal of special reserve																			
2) Use of special reserve																			
(4) Profits distribution																			
Stock goods (finished goods)																			
Including Statutory reserve fund																			
Discretionary reserve																			
# Reserve fund																			
# Enterprise development fund																			
# Return on investment																			
2) Distribution to shareholders																			
3) Others																			
(5) Internal transfer within shareholder's equity		3,249,036,919.84																	
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		7,560,000,000.00		3,600,000,000.00		6,100,970,135.63		-57,893,328.52		382,382,923.77		-848,309,032.51	16,737,150,700.37						

Legal representative: [Signature] Principal in charge of accounting: [Signature] Head of accounting department: [Signature]



Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements for the year 2022
(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. (formerly known as Wuhan Economic Development Investment (Group) Co., Ltd., hereinafter referred to as the Company, 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 belonging 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 RMB 8.318 billion; the legal representative is Shen Zanxiong; the registered address: 77 Changjiang Daily Road, Jiangnan 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.

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 28th, 2023.

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, 2022, and information relating to operating results and cash flows for fiscal year 2022.

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

According to the Accounting Standards for Business Enterprises,

The Group's accounting is based on the accrual basis of accounting. Except for certain financial instruments, the financial statements are measured on the historical cost basis. If an asset is impaired, a corresponding provision for impairment is made in accordance with the relevant regulations.

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 book value in the consolidated statements of ultimate control at the date of combination. The capital reserve adjustments are made according to the difference between the book value of the net assets obtained and the book 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 and structured entities 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 period'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 book 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 instruments

(1) Financial assets

1) Classification, basis of recognition and measurement of financial assets

The Group classifies financial assets as financial assets carried at amortized 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 financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies financial assets as financial assets carried at amortized cost if both of the following conditions are met: 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 recognized in the initial recognition amount; they are subsequently measured at amortized cost. The difference between the initial amount and the amount due is amortized using the effective interest method, except for those designated as hedged items, and amortization, impairment, exchange gains or losses and gains or losses arising on derecognition are recognized in profit or loss in 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 to both collect the contractual cash flows and sell 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 recognized in the initial recognition amount. Except for those designated as hedged items, such financial assets, other than credit impairment losses or gains, foreign exchange gains or losses and interest on such financial assets calculated under the effective interest rate method, are recognized in other comprehensive income; upon derecognition of a financial asset, the cumulative gain or loss previously recognized in other comprehensive income should be transferred from other comprehensive income and recognized 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 book value of the financial assets by the effective interest rate, except for the following cases: ① for financial assets acquired or originated that are credit impaired, interest income is determined from initial recognition

based on the amortized cost of the financial assets and the effective interest rate adjusted for credit. ② For financial assets acquired or originated without credit impairment but become credit impaired in subsequent periods, interest income is determined in subsequent periods based on the amortized 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 revoked. The Group's investments in non-trading equity instruments designated as at fair value through other comprehensive income are initially measured at fair value, with related transaction costs recognized at initial recognition; except for dividends received (other than those attributable to the recovery of investment costs), which are recognized in profit or loss, other related gains and losses (including exchange gains and losses) are recognized in other comprehensive income and are not subsequently transferred to the current profit or loss. When they are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

For financial assets other than those classified as financial assets measured at amortized cost and those classified as financial assets at fair value through other comprehensive income as described above, the Group classifies them as financial assets at fair value through profit or loss. Such financial assets are initially measured at fair value, and the related transaction costs are recognized directly in profit or loss for the current period. Gains or losses on such financial assets are recognized in profit or loss for the current period.

If the contingent consideration recognized 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.

When the Group changed its business model for managing financial assets, all affected related financial assets were reclassified.

2) Basis of recognition and measurement of transfer of financial assets

The Group derecognizes a financial asset when one of the following conditions is met: ① the contractual rights to receive cash flows from the financial asset expires; 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 a transfer of a financial asset as a whole satisfies the derecognition condition, the difference between the book value of the transferred financial asset and the sum of the consideration received for the transfer and the cumulative amount of changes in fair value

original recognized in other comprehensive income, corresponding to the derecognized portion (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 recognized in profit or loss.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the whole book value of the financial asset transferred is apportioned between the derecognized portion and the un-derecognized portion according to their respective relative fair values. And the difference between the sum of the consideration received for the transfer and the cumulative amount of changes in fair value original recognized in other comprehensive income corresponding to the derecognized portion that shall be apportioned to the derecognized portion (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), and the above apportioned book value of financial assets is recognized in profit or loss.

3) Expected credit losses

a. Application scope

The Group makes impairment accounting treatment and recognizes provision for losses based on expected credit losses, the following items: financial assets at amortized cost ("AMC"); debt financial assets measured at fair value through other comprehensive income ("FVOCI"); loan commitments and financial guarantee contracts that shall be included in the provision for impairment.

b. Determination method of expected credit losses and accounting treatment

Expected credit losses are the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contracts and all cash flows expected to be received by the Group, discounted at the original effective interest rate, which is the present value of the total cash shortfall.

For receivables or provision for losses on contract assets resulted from the transactions governed by *Accounting Standards for Business Enterprises No. 14- Revenue* (only including receivables or contract assets without containing significant financing components), the Group applies the simplified method of measurement and always measures them at an amount equal to the expected credit loss over the entire duration.

In addition to the above items, for other items, the Group measures a provision for losses based on the following situation: ① for financial assets whose credit risk has not increased

significantly since initial recognition, the Group measures a provision for losses based on the amount of expected credit losses over the next 12 months and measures the interest revenue according to the total amount method; ② for financial assets whose credit risk has increased significantly since initial recognition, the Group measures a provision for losses based on the amount of expected credit losses over its entire duration and measures the interest revenue according to the total amount method; ③ for financial assets whose credit risk has increased significantly since initial recognition and has impaired on credit at reporting date, the Group measures a provision for losses based on the amount of expected credit losses over the entire duration and calculates interest revenue by net amount method..

A determination of whether credit risk has increased significantly since initial recognition. The Group determines whether a financial instrument's credit risk has increased significantly by comparing the amount of the probability of default over the expected life of the 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 low credit risk at the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since its initial recognition. Normally, if a financial instrument is more than 30 days past due, it indicates that the credit risk has increased significantly. Unless the Group can obtain reasonable and substantiated information without undue additional cost or effort to demonstrate 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 that is available without undue additional cost or effort, including forward-looking information. The Group considers the information including internal historical experience data on credit losses, internal risk ratings, credit loss experience of other companies or institutions, external credit ratings and external statistical data.

Portfolio-based assessment. For financial instruments excluding the accruals of losses by individual item, The Group is unable to obtain sufficient evidence of a significant increase in credit risk at the level of a single instrument at a reasonable cost, and it is feasible to assess whether credit risk increases significantly on a portfolio basis, so the Group groups financial instruments by type of instrument, credit risk rating, type of collateral, initial confirmation date, remaining contractual term, industry in which the borrower is located, geographic location of the borrower and loan collateralization ratio as common risk characteristics and considers assessing whether credit risk increases significantly on a portfolio basis. A defined portfolio of financial instruments that may change over time (for example, 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 amortized cost, except for the following: 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 resulting from the transfer of financial assets that do not meet the derecognition criteria or from the continued involvement in the transferred financial assets. 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 recognized 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 Group 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 derecognize the existing financial liabilities and recognize the new financial liabilities at the same time. If the Group substantially modifies all or part of the contract terms of the existing financial liability, the existing financial liability or part thereof shall be derecognized, and at the same time the modified financial liability shall be recognized as a new financial liability. The difference between the book value of the derecognized portion and the consideration paid is recognized in the 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 Group prioritizes the use of the first level of input values and finally the third level of input values. 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.

(4) Offsetting of financial assets and financial liabilities

The Group's financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, they are presented in the balance sheet in net amounts after offsetting each other if the following conditions are met: (1) the Group has a legal right to offset the recognized amounts and such legal right is currently enforceable; and (2) the Group plans to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

(5) Distinction between financial liabilities and equity instruments and related treatment

The Group distinguishes between financial liabilities and equity instruments in accordance with the following principles: (1) A contractual obligation meets the definition of a financial liability if the Group cannot unconditionally avoid meeting that obligation by delivering cash or other financial assets. Some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, but it is possible that contractual obligations may arise indirectly through other terms and conditions. (2) If a financial instrument is required to be settled by or available for settlement with the Group's own equity instruments, consideration needs to be given to whether the Group's own equity instruments used to settle the instrument are intended as a substitute for cash or other financial assets or to give the holder of the instrument a residual interest in the assets of the issuer after deducting all liabilities. In the former case, the instrument is a financial liability of the issuer; in the latter case, the instrument is an equity instrument of the issuer. In certain circumstances, a financial instrument contract requires the Group to settle the financial instrument with or using its own equity instruments, where the amount of the contractual right or contractual obligation is equal to the number of its own equity instruments available for acquisition or delivery multiplied by their fair value at the time of settlement, regardless of whether the amount of the contractual right or obligation is fixed or based in whole or in part on variables other than the market price of the Group's own equity instruments (such as interest rates, the price of a commodity or the price of a financial instrument), the contract is classified as a financial liability.

The Group classifies financial instruments (or their components) in the consolidated statements of income, taking into account all terms and conditions agreed between the

members of the Group and the holder of the financial instrument. If the Group as a whole has an obligation to deliver cash, other financial assets or settle in another manner that results in the instrument becoming a financial liability as a result of the instrument, the instrument should be classified as a financial liability.

If a financial instrument or its component parts belong to financial liabilities, the related interest, stock dividends (or dividends), gains or losses, and gains or losses arising from redemption or refinancing are recognized by the Group in profit or loss for the current period.

When financial instruments or their components belong to equity instruments, the Group treats them as changes in equity when they are issued (including refinancing), repurchased, sold or cancelled, and does not recognize changes in the fair value of equity instruments.

10. Receivables

(1) Method of determining the 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 that its provision for bad debt is made by individual. For receivables excluding accruals of losses by individual, they are grouped according to common risk characteristics and considered assessing whether there is a significant increase in credit risk on a portfolio basis.

Receivables with an individual provision for bad debts	Discounted cash flow model
Receivables for which the provision for bad debts is made by portfolio	
Portfolio 1 Comprehensive business portfolio	Measurement models of expected credit losses, such as rating mapping model, rolling rate model, discounted cash flow model.
Portfolio 2 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 Comprehensive business portfolio".

11. Inventories

The Group's inventories mainly include 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.

Inventory is recognized at the lower of the cost and net realizable value at the end of period. 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, the provision for impairment of inventory are measured. The provision for the decline in value of inventory for goods in stock and bulk raw materials are made according to the difference between the cost of an individual inventory item and its net realizable value. The provision for the decline in value of inventory for 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, lending funds, and 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.

Expected credit losses on entrusted loans are recognized by applying "10. Receivables (1) Method of determining the expected credit losses on receivables".

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 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 book 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 book 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 the 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 the 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 book 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 book 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 that is classified as other investment in equity instrument or other non-current 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 book 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 book 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 other investment in equity instrument or other non-current 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 other investment in equity instrument or other non-current financial assets, the difference between the fair value and the book 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 equity method is not used;

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 other investment in equity instrument or other non-current financial assets, the difference between its fair value at the date of loss of control and its book 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 book 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

Investment properties include rented land use rights, land use rights that are held and intended to be transferred upon appreciation, and rented 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 applies the fair value model to all investment properties for subsequent measurement. The accounting policy selection for investment properties that are subsequently measured using the fair value model is based on the following:

① There is an active market for property transactions on which the investment properties are located.

② The Group is able to obtain market prices and other relevant information on similar or comparable properties from the markets for property transactions so as to make a reasonable estimate for the fair value of investment properties.

The Group does not depreciate or amortize investment properties. The book value of investment properties is adjusted on the basis of their fair value at the balance sheet date, and the difference between the fair value and the original book value is recognized in the current profit or loss.

The Group's investment properties are valued by an appraisal report issued by a third-party institution with property appraisal qualification engaged by the Group, and the valuation conclusion is used as its fair value.

When the Group has conclusive evidence of a change in the use of real estate and converts an investment property to a self-use property, the fair value at the conversion date is used as the book value of the self-use property, and the difference between the fair value and the original book value is recognized in profit or loss. When a self-use property or inventory is converted to an investment property measured by fair value model, the investment property is valued at the fair value at the conversion date, if the fair value is less than the original book value, the difference is recognized in profit or loss; if the fair value is higher than the original book value, the difference is recognized in owners' equity.

Investment property is derecognized 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 after deducting their book value and related taxes.

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 fixed asset shall be derecognized. 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. Borrowing costs directly attributable to the acquisition or production of assets eligible for capitalization 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 such assets 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. Right-of-use assets

Right-of-use assets represent the right of the Group as a lessee to use the leased assets during the lease term.

(1) Initial measurement

At the commencement date of the lease term, the Group initially measures the right-of-use asset at cost. The cost includes the following four items: ① the initial

measurement amount of the lease liability; ② the amount of lease payments made on or before the commencement date of the lease, less the amount related to the lease incentives already taken, if any; ③ the initial direct costs incurred, i.e., the incremental costs incurred to enter into the lease; ④ 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 the agreed-upon condition under the terms of the lease, except those incurred for the production of inventory.

(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 asset, i.e. the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses. The Group remeasures the lease liability in accordance with the relevant provisions of the leasing standards and adjusts the book value of the right-of-use asset accordingly.

1) Depreciation of right-of-use assets

The Group recognizes the depreciation of right-of-use assets from the beginning of the lease term. Right-of-use assets are generally provisioned from the month in which the lease term commences. The amount of depreciation is charged to the cost of the related assets or to the 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 provisions the right-of-use assets by straight-line method.

In determining the depreciable lives of right-of-use assets, the Group follows the following principles: if it is reasonably certain that ownership of the leased assets will be obtained at the end of the lease term, depreciation is charged over the remaining useful life of the leased assets; if it is not reasonably certain that ownership of the leased assets will 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 assets.

2) Impairment of right-of-use assets

If there is an impairment of right-of-use asset, the Group uses the book value of the right-of-use asset after deducting the impairment loss to develop its subsequent depreciation

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 expenditures 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 the 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 the 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

21. Long-term deferred expenses

The Group's long-term deferred 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 deferred 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 book 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 period, 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 book value 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 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 shared profit 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

the 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 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 the 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 the 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 the 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) 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 the 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.

(4) 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.

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 recognition

The Group initially measures the lease liability at the present value of the outstanding lease payments at the commencement date of the lease term.

1) Lease payments

Lease payments, which are payments made by the Group to the lessor related to the right to use the leased asset during the lease term, include: ① fixed payments and material fixed payments, less amounts related to lease incentives if lease incentives exist; ② variable lease payments that depend on an index or rate, which is determined at initial measurement based on the index or rate at the beginning of the lease term; ③ when the Group reasonably determines will exercise the purchase option, the payments are for the exercise price of the purchase option; ④ if the lease term reflects the Group will exercise the lease termination option, the payments are to exercise the lease termination option; ⑤ the amount expected to be paid based on the residual value of the guarantee provided by the Group.

2) Discount rate

The Group, in calculating the present value of the lease payments, uses incremental borrowing rate as discount rate if the implied rate of lease cannot be determined. The incremental borrowing rate refers to 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 under similar mortgage terms for a similar period of time. The interest rate is related to: (1) the Group's own situation, i.e., its solvency and credit standing; (2) the term of the "borrowing", i.e., the lease term; (3) the amount of the "borrowed" funds, i.e., the amount of the lease liabilities; and (4) economic environment, including the jurisdiction in which the lessee is located, the currency of denomination, the time of contract signing, etc. The Group arrived at this incremental borrowing rate based on the LRP announced by People's Bank of China, and adjustments by considering the above factors.

(2) Subsequent measurement

After the commencement date of the lease term, the Group subsequently measures the lease liability according to the following principles: ① when interest on the lease liability is recognized, the book value of the lease liability is increased; ② when lease payments are made, the book value of the lease liability is reduced; and ③ when there is a change in the lease payments due to revaluation or lease modification, the book value of the lease liability is remeasured. The Group calculates the interest expense on the lease liability for each period of the lease term at a fixed periodic rate and recognizes it in the current profit or loss, 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 has to be remeasured at the revised discount rate due to changes in the lease payments or due to changes in the lease.

(3) Remeasurement

After the commencement date of a lease, the Group remeasures the lease liability according to the present value of changed lease payments and adjusts the book value of the right-of-use asset accordingly when the following cases occur. If the book value of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the Group recognizes the remaining amount in profit or loss for the current period. ① Changes in the amount of substantive fixed payments (discount by the original discount rate under such case); ② Changes in the amount expected to be payable for the residual value of the guarantee (discount by the original discount rate under such case); ③ Changes in the index or rate used to determine the lease payments (discount by the revised discount rate under such case); ④ Changes in the appraisal results of the purchase option (discount by the revised discount rate under such case); ⑤ Changes in the valuation results or actual exercise of the option to renew the lease or the option to terminate the lease (discount by the revised discount rate under such case).

28. 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 book 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.

29. Other financial instruments such as preference shares and perpetual bonds

The Group classifies the preference shares and perpetual bonds that qualify as equity instruments, and other financial instruments as financial liabilities. The related accounting policies are described in Note IV. 9. (5) "Distinction between financial liabilities and equity instruments".

Preference 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 the repurchase or redemption are recognized in profit or loss for the current period.

Preference shares and perpetual bonds classified as equity instruments increase the 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 principle

The Group's operating revenue mainly includes income from the sale of goods, income from the provision of labor services and income from the assignment of the asset use right.

Revenue is recognized when the Group's performance obligation in the contract is fulfilled, that is, when the customer obtains control of the related goods or services.

If a contract contains two or more performance obligations, the transaction price is apportioned to each individual performance obligation by the Group at the beginning of the contract in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, and revenue is measured according to the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration to which the Group is expected to be entitled as a result of the transfer of goods or services to the customer, excluding amounts received on behalf of third parties. The transaction price recognized by the Group does not exceed the amount for which it is highly probable that there will be no material reversal of the revenue recognized in the aggregate when the relevant uncertainty is removed. Amounts expected to be returned to the customer as a liability are not included in the transaction price. If there is a significant financing component in the contract, the transaction price is determined by the Group on the basis of the amount payable in cash assuming that the

customer will pay for the goods or services as soon as control is acquired. The difference between this transaction price and the contract consideration is amortized over the term of the contract using the effective interest method. If the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price is expected to be less than one year at the contract commencement date, the existence of a significant financing component in the contract is not considered.

The performance obligations are fulfilled within a certain time period when one of the following conditions is met; otherwise, performance obligations are fulfilled at a point in time:

(1) The customer acquires and consumes the economic benefits of the Group's performance at the same time as the 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 irreplaceable and entitled to receive payment by the Group for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations to be performed within a certain period of time, revenue is recognized by the Group in accordance with the progress of performance over that period of time, and the progress of performance is recognized based on percentage of completion method. When the progress of performance is not reasonably determinable, revenue is recognized in the amount of costs already incurred that are expected to be reimbursed until the progress of performance can be reasonably determined.

For performance obligations performed at a point in time, revenue is recognized by the Group at the point in time when the customer obtains control of the related goods or services. In determining whether the customer has acquired control of the goods or services, the following indications are considered:

(1) The Group has a present right to receive payment for the goods or services.

(2) Legal ownership of the merchandise has been transferred by the Group to the customer.

(3) The physical transfer of the item has been made by the Group to the customer.

(4) The principal risks and rewards of ownership of the commodity have been transferred by the Group to the customer.

(5) The customer has accepted the goods or services, etc.

The Group's rights to receive consideration for goods or services transferred to customers are presented as contract assets, which are impaired on the basis of expected credit losses.

The Group's unconditional rights to receive consideration from customers that are owned are presented as receivables. The Group's obligation to transfer goods or services to customers for which consideration is receivable for goods received is presented as a contractual liability.

31. 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 deducted from the book value of 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 the current profit or loss in the period or deducted from related costs 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 the current profit or loss or reduce related costs. Government grants related to routine activities are recognized in other income or reduce related cost

expenses 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 book 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 tax assets in the future period, the book 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. On the commencement date of the contract, the Group shall assess whether the contract is a lease or contains a lease. A contract is leased or contains a lease if a party to the contract assigns the right to control the use of one or more identified assets for a certain period of time in exchange for consideration. In order to determine whether the contract conveyed the right to control the use of the identified assets for a certain period of time, the Group shall assess whether the customer in the contract is entitled to almost all of the economic benefits arising from the use of the identified asset during the period of use and is entitled to dominate the use of the identified asset during that period of use.

Where a contract contains multiple separate leases at the same time, the contract is split by the Group and each separate lease is accounted for separately. If a contract contains both leased and non-leased components, the leased and non-leased components are separated for accounting treatment.

(1) The Group as a lessee

Right-of-use assets and lease liabilities are recognized against the lease 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 and the remaining useful life of the leased asset.

The lease liability is initially measured at the present value of the outstanding lease payments at the commencement date of the lease term, and the discount rate is interest rate implicit in lease. If the interest rate implicit in lease cannot be determined, the Group uses the incremental borrowing rate 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 the 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 the current profit or loss or the cost of the related assets when they are actually incurred.

After the start date of the lease term, the Group re-determines the lease payment amount and re-measures the lease liability at the present value calculated based on the changed lease payment amount and the revised discount rate if the following circumstances occur: a change in the evaluation of the purchase option, lease renewal option or lease termination option, a change in the lease term due to the actual exercise of the lease renewal option or lease termination option that is inconsistent with the original evaluation; a change in the amount expected to be payable based on the guaranteed residual value, or a change in the index or rate used to determine the lease payment amount.

When the lease liability is remeasured, the Group adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero but the lease liability is subject to further reduction, the Group recognizes the remaining amount in profit or loss for the current period.

The Group has determined 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 a lessor

At the start date of the lease, the Group classifies leases as finance leases and operating leases. Finance leases are leases that substantially transfer all the risks and rewards associated with ownership of the leased assets, 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 asset arising from the original lease, rather than the underlying asset of the original lease. If the original lease is a short-term lease and the Group chooses to apply the simplified treatment of 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 at the start date of the lease term and derecognizes the finance lease assets. When the Group makes initial measurement of finance lease receivables, the net amount of lease investment is used as the entry value of the finance lease receivables. The net amount of lease investment is the sum of the unguaranteed residual value and the present value of the collected amount of lease not yet received at the start date of the lease term discounted at the interest rate implicit in lease.

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 amount of lease investments are recognized in profit or loss when they are actually incurred.

Under operating leases, the Group recognizes the collected amount of lease from operating leases as rental income using the straight-line method (or other systematic and reasonable method) over the respective periods of the lease term. Initial direct costs related to operating leases are capitalized and amortized to the current profit or loss over the lease term on the same basis as rental income is recognized. Variable lease payments not included in the collected amount of lease are recognized in 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. Changes in accounting policies and their effects

(1) On December 30th, 2021, the Ministry of Finance issued *Accounting Standard for Business Enterprises Interpretation No. 15* (Caikuai [2021] No. 35) (hereinafter referred to as Interpretation No. 15), in which "Accounting for the sale of products or by-products produced by an enterprise before a fixed asset reaches its intended useable state or in the course of research and development " and "Judgment on loss-making contracts" shall be effective as of January 1st, 2022.

The implementation of the relevant provisions of Interpretation No. 15 had no impact on the Group's financial statements for the reporting period.

(2) On November 30th, 2022, the Ministry of Finance issued *Accounting Standards for Business Enterprises Interpretation No. 16* (Caikuai [2022] No. 31, hereinafter referred to as Interpretation No. 16), "Accounting for deferred income taxes related to assets and liabilities arising from a single transaction that are not subject to the initial recognition exemption", effective January 1st, 2023, which allows companies to implement it earlier from the year of issuance. "Accounting for the income tax effects of dividends related to financial instruments classified as equity instruments by the issuer" and "Accounting for the modification of cash-settled share-based payments to equity-settled share-based payments by enterprises" shall be effective from the date of publication.

The implementation of the relevant provisions of Interpretation No. 16 had no material impact on the Group's financial statements for the reporting period.

2. Changes in accounting estimates and impacts

(1) Change in fair value valuation model for two equity interests in Hubei United Investment Group Co., Ltd. and Yangtze River United Economy Development (Group) Co., Ltd.

The Company acquired 1.88% equity in Yangtze River United Economy Development (Group) Co., Ltd. (hereinafter referred to as Changfa Group) in 2007 and 8.89% equity in Hubei United Investment Group Co., Ltd. (hereinafter referred to as Hubei United Investment) in 2008, both of which are accounted for as available for sale financial assets. With the implementation of the new financial instruments standard on January 1st, 2021, the Company classified the two equity interests held by the Company as financial assets at fair value through profit or loss, and the fair value valuation method was the market multiplier method, of which: the equity interest in Hubei United Investment was valued using the market-to-net ratio valuation model and the equity interest in Changfa Group was valued using the market-to-net earnings valuation model.

The actual operations of both companies in 2022 have changed significantly, as follows:

1) In order to implement the reform of provincial state-owned enterprises, Hubei United Investment underwent a major asset restructuring in 2022, which is classified as business combination under common control, and the equity premium is required to be offset by Hubei United Investment's capital surplus of approximately RMB 5.2 billion in accordance with the enterprise accounting standards. Due to the significant changes in the underlying data in the price-to-net valuation model constructed by the Company in the previous period, the use of the price-to-net valuation method cannot reasonably reflect the fair value of the Company's equity interest in Hubei United Investment.

2) Changes in the operating conditions and market environment of Changfa Group in 2022 make it inappropriate to adopt the price earnings ratio valuation method, and the valuation model built in the previous period cannot continue to be used.

In accordance with the relevant provisions of *Accounting Standard for Business Enterprises No. 39 - Fair Value Measurement* and the *Proposal on the Change of Accounting Estimates of the Company* approved at the 10th General Meeting of the Company's General Manager, the Company changed the valuation method of the two equity interests held by the Company in 2022 by changing the valuation method of the equity interests in Hubei United Investment from the price-to-net method to the price earnings method and the valuation method of Changfa Group from the price earnings method to the price sales method, and the changed valuation method is more representative of the fair value of the two equity interests held by the Company under the current circumstances.

The change in accounting estimate is accounted for using the future application method and no retroactive adjustment to the disclosed financial reports is required. The change in accounting estimate increases other non-current financial assets by RMB 763 million as of December 31st, 2022 and increases gain on change in fair value by RMB 763 million in fiscal 2022.

(2) Estimated liabilities

Subsidiary Guotong Trust Co., Ltd. in accordance with the resolution of the eleventh meeting of its fourth Board of Directors and the *Opinions of the General Office of China Banking Regulatory Commission on Further Strengthening the Risk Supervision of Trust Companies* (CBRC General Office (2016) No. 58) and the *Measures for the Administration of Net Capital of Trust Companies* (CBRC Order No. 5 of 2010), starting from 2022, the trust business reserve (corresponding to the estimated liabilities of the subject) shall be provided at 10% of the risk capital of all trust projects, and when the accumulated amount of trust business reserve provided reaches 20% of the risk capital, it can be no longer provided. The accrual of estimated liabilities for the year was RMB 172,662,300, which affected the Group's total consolidated statement of profit of RMB 129,496,700. The change in accounting estimate, which was dealt with by the future application method, will not have any impact on the Group's financial statements disclosed in previous years.

3. Correction of significant prior period errors and impact

(1) The Company clarifies the business model and designates the shares held by Tianfeng Securities Co., Ltd. (hereinafter referred to as Tianfeng Securities)

In accordance with the provincial and municipal strategic deployment, the Company actively promoted the application for a financial holding company license and continued to

plan for the acquisition of integrated securities firms since 2020. In April 2021, the Company subscribed for an additional 195 million shares of Tianfeng Securities, representing 2.26% of the total share capital of Tianfeng Securities after the issuance of the additional shares, subsequently, the Company terminated the acquisition plan as the two parties failed to reach an agreement on the acquisition agreement.

Due to the unclear business model at the time of the acquisition of Tianfeng Securities shares in 2021, the Company accounted for the equity investment as a financial asset held for trading and presented in the statements as other non-current financial assets. In 2022, after full consideration and discussion at the 21st General Manager's Meeting, the Company formed the following opinion: The Company's holdings in Tianfeng Securities were strategic investments and agreed to designate its holdings in Tianfeng Securities as financial assets at fair value through other comprehensive income and to account for them through investments in other equity instruments.

The Company corrected the above prior period errors using the retrospective restatement method to increase investment in other equity instruments by RMB 792,176,000 and undistributed profit by RMB 7.824 million as of January 1st, 2022; and decrease other non-current financial assets by RMB 792,176,000 and other comprehensive income by RMB 7.824 million as of January 1st, 2022.

(2) Wuhan Kaicheng Mining Investment Co., Ltd. is not included in the scope of consolidation

In 2013, the Development and Investment Company, a secondary company of the Group, Huangshi Decheng Industrial Group Co., Ltd. and Hubei Fengjiashan Mining Co., Ltd. jointly invested to form Wuhan Kaicheng Mining Investment Co., Ltd. (hereinafter referred to as Kaicheng Company). The Development and Investment Company contributed RMB 4.8 million, accounting for 48% of the investment, and was the largest shareholder of Kaicheng Company. From 2013 to 2021, Kaicheng Company was included in the consolidated financial statements.

In 2022, Development and Investment Company found after self-examination that it held less than one-half of the seats on the board of directors of Kaicheng Company (a total of five directors, of which Development and Investment Company held two) and could not absolutely control the board of directors. According to the minutes of the meeting of the General Manager's Office of Development and Investment Company, the Company will no longer include Kaicheng Company in the scope of consolidated statements of income from 2022 onwards and correct the prior period errors. The impact of this matter on the Group's financial statements is as follows:

① Statement of Financial Position

Item	Amount of impact at December 31 st , 2021 (RMB)
Cash and cash equivalents	-508.20
Employee benefits payable	-1,329.60
Taxes payable	-216,928.35
Other payables	-70,251,123.08
Paid-in capital	-10,000,000.00
Undistributed profit	80,468,872.83

② Income statement

Item	Amount of impact in FY 2021 (RMB)
Operating income	-1,650,485.44
Finance costs	-619.35
Income tax expense	-186,339.41

(3) Additional provision for impairment of related claims of Kaicheng Company

Due to the fact that Development and Investment Company does not have control of Kaicheng Company and Kaicheng Company is not part of its consolidated statement of income, Development and Investment Company and its subsidiary, Wuhan Energy Conservation Investment Co., Ltd., should make full provision for bad debts on the claims of Hubei Fengjiashan Silicon Fiber Co., Ltd., a related party of Kaicheng Company, reducing other receivables of RMB 69,250,900 and undistributed profit of RMB 69,250,900 as of January 1st, 2022 .

(4) Retrospective adjustment to the equity method accounting of Wuhan Sinew Real Estate Co., Ltd. to Wuhan Yijing Jiangnan Real Estate Co., Ltd.

Wuhan Sinew Real Estate Co., Ltd. (hereinafter referred to as Sinew Real Estate), a third-tier company of the Group, holds 49% of the equity of Wuhan Yijing Jiangnan Real Estate Co., Ltd. (hereinafter referred to as Yijing Jiangnan), which is accounted by the Equity method. As a result of the retroactive adjustment of the 2022 annual statement of Yijing Jiangnan to its undistributed profit from 2019 to 2021, Sinew Real Estate adjusted the financial statements as of January 1st, 2022 in proportion to its shareholding in the investee, reducing the long-term equity investment of RMB 23,137,500 and undistributed profit of RMB 23,137,500 as of January 1st, 2022.

(5) Retroactive adjustment of 20% equity of Wuhan Credit Investment Group Co., Ltd. by Development and Investment Company and Wuhan Credit Risk Managrnt Co., Ltd.

In 2022, in accordance with the requirements of the superior unit, Wuhan Credit Risk Managrnt Co., Ltd. (hereinafter referred to as Credit Risk), a third-tier company of the

Group, reclassified Changjiang Financial Holding Wuhan Investment Management Co., Ltd.'s holding of Wuhan Credit Investment Group Co., Ltd. (hereinafter referred to as the Investment Group) by 20% and recognized the gain or loss of investment in the Investment Group in previous years under the equity method, increasing other payables by RMB 400 million as of January 1st, 2022 and decreasing owner's equity by RMB 400 million as of January 1st, 2022.

(6) Credit risk confirmation for Wuhan Dongwu Fangxin Business Service Partnership (Limited Partnership) investment income matters

In September 2021, China Eastern Asset Management Co., Ltd. (hereinafter referred to as Eastern Asset) act as the limited partner LP1, Credit Risk as the limited partner LP2, and Investment Group subsidiary Wuhan Huoju Techonology Investment Co., Ltd. (hereinafter referred to as Huoju Company) act as the General partner and execute partnership affairs, Jointly established a partnership enterprise - Wuhan Dongwu Fangxin Business Service Partnership (Limited Partnership) (hereinafter referred to as Dongwu Fangxin).

In November 2021, Credit Risk delegated the voting rights in the meeting of partners of Dongwu Fangxin to Huoju Company for operational management purposes, and Huoju Company thus acquired 66.67% of the voting rights of Dongwu Fangxin and included Dongwu Fangxin in its consolidated statements of income in 2021.

According to the partnership agreement arrangement of Dongwu Fangxin, all partners agreed not to share dividends in proportion to the equity interest. Credit Risk 2022 sorted out the income from its investment in Dongwu Fangxin and concluded that although Credit Risk had transferred voting rights, it had not transferred income rights and should recognize the income enjoyed by its investment in Dongwu Fangxin as a financial asset held for trading and presented as other non-current financial assets on the statement Credit risk adjusted the 2022 statement retroactively based on the percentage of dividends from Dongwu Fangxin in 2021, increasing undistributed profit by RMB 39,764,700 and tax payable by RMB 13,254,900 as of January 1st, 2022; and decreasing minority interests by RMB 53,019,600 as of January 1st, 2022.

(7) Wuhan Changjiang Optical Communication Industry Co., Ltd. on the valuation of equity investments

The Group's fourth-tier company, Wuhan Changjiang Optical Communication Industry Co., Ltd. (hereinafter referred to as Changjiang Optical Communication), calculated the valuation of the equity interest held in Hubei Bank based on the initial shareholding ratio of 0.57% at the conversion point of the new standard in early 2021. After several capital increases and expansions of Hubei Bank, the percentage of equity interest in Hubei Bank held by Changjiang Optical Communication has been diluted to 0.31%, and Changjiang Optical Communication adjusted the valuation of its equity interest in Hubei Bank accordingly. The consolidated statements of income decreased by RMB 39,763,200 in financial assets held for trading, RMB

9,940,800 in deferred tax liabilities and RMB 29,822,400 in undistributed profit as of January 1st, 2022.

(8) Investment Group and Wuhan Xinfeng Asset Management Co., Ltd. (hereinafter referred to as Credit Asset) regarding the tax adjustment for At His Month Information Technology Co., Ltd. (hereinafter referred to as At His Month) debt restructuring

The current year's Investment Group and Credit Assets retroactively adjusts At His Month's prior years' tax expense at the consolidated statement level, decreasing undistributed profit of RMB 9,884,100 and minority interest of RMB 12,080,500 as of January 1st, 2022, and increasing tax payable of RMB 21,964,600 as of January 1st, 2022.

Effect of correction of prior period errors by Wuhan Trade State-owned Holding Group Co., Ltd.

The following is the impact on the statements of Wuhan Trade State-owned Holding Group Co., Ltd. (hereinafter referred to as Trade Holding), a secondary company of the Group, and its subsidiaries in respect of the correction of prior period errors. As the Company holds 51% equity interest in Trade Holding, the impact of the following matters on the Group's net assets attributable to the Group is subject to the effect of the percentage of shareholding. Of these, Wuhan Jiangtian Metal Materials Co., Ltd. and Logistics Engineering and Management Magazine (Hubei) Co., Ltd. are wholly-owned subsidiaries within the scope of consolidation of Trade Holding, which were not included in the scope of consolidation in the previous year and should therefore be included in the scope of consolidation at the beginning of the year, as set out in Articles 8 and 12 below.

(1) Trading Holding

In 2022, Trade Holding paid back taxes and fees RMB 26,250,774.90 for the years 2016-2021, which required an increase of RMB 26,250,774.90 in taxes and fees payable in 2021 and a decrease of RMB 26,250,774.90 in undistributed profits at the beginning of 2021.

(2) Wuhan Changsheng Industry Co., Ltd.

1) In 2022, Wuhan Qianjing Real Estate Development Co., Ltd., a subsidiary of Changsheng Industry, paid back income tax expenses of RMB 11,733,912.04 for the year 2020 and previous years, which required a reduction of RMB 11,733,912.04 in development costs for 2021 and a reduction of RMB 11,733,912.04 in undistributed profits at the beginning of 2021.

2) In 2022, Wuhan Yuxi Real Estate Development Co., Ltd., a subsidiary of Changsheng Industry, paid back income tax expenses of RMB 33,243,272.38 for the year 2021 and increased income tax expense by RMB 33,243,272.38 for the year 2021, with a corresponding reduction in surplus reserves of RMB 3,324,327.24 and a reduction in undistributed profits of

RMB 29,918,945.14.

(3) Wuhan Youyi Non-Staple Food Commerce Co., Ltd.

Prior period error corrections were made in FY2022 as a result of double adjustments due to differences in the timing of prior year audit adjustments and financial entries for Youyi Non-Staple Food. In the current period, the company reduced accounts receivable by RMB 146,992.40, prepayments by RMB 2,107,724.72, increased other receivables by RMB 97,059.34, fixed assets by RMB 28,222.20 and deferred tax assets by RMB 102,240.08; reduced tax payable by RMB 441,976.33, increased dividends payable by RMB 3,889,085.75 and other payable by RMB 445.47; reduced surplus reserves by RMB 155,876.86 and reduced undistributed profits by RMB 5,318,873.53.

(4) Wuhan Roulian Food Co., Ltd.

Wuhan Roulian Food Co., Ltd. did not make corresponding adjustment to surplus reserves in the audit adjustment for the year 2021, and this time the surplus reserves were reduced by RMB 45,788,750.00 and the undistributed profits was increased by RMB 45,788,750.00.

(5) Wuhan Guanghui Economic and Trade Development Co., Ltd.

The buildings recognized as fixed assets in the accounts of Wuhan Guanghui Economic and Trade Development Co., Ltd. were not handed over, so the prior period error was corrected and adjusted retrospectively in 2022. The original value of fixed assets was reduced by RMB 1,035,640.00, prepayments were increased by RMB 1,035,640.00, accumulated depreciation was reduced by RMB 301,371.12 and undistributed profits at the beginning of 2021 was increased by RMB 301,371.12.

(6) Hubei Jingkang Sugar Co., Ltd.

1) In FY2021, intangible assets of Hubei Jingkang Sugar Co., Ltd. were not amortized as required, so the prior period error correction was made in FY2022. The accumulated amortization was increased by RMB 328,111.64 and the administrative expenses were increased by RMB 328,111.64.

2) The depreciation of fixed assets of Hubei Jingkang Sugar Co., Ltd. for the years 2020-2021 was not amortized in accordance with the regulations, so the prior period error was corrected in the year 2022. The accumulated depreciation was increased by RMB 3,672,892.77, the administrative expenses were increased by RMB 1,833,129.81 and the undistributed profits at the beginning of 2021 was reduced by RMB 1,839,762.96.

(7) Wuhan Defuqin Asset Management Company

The inaccurate provision for bad debts of other receivables of Wuhan Defuqin Asset Management Company required audit adjustment and therefore prior period error correction was made in FY2022. The provision for bad debts of other receivables was reduced by RMB

53,251,897.08 and the undistributed profits at the beginning of 2021 was increased by RMB 53,251,897.08.

(8) Wuhan Jiangtian Metal Materials Co., Ltd.

1) Wuhan Jiangtian Metal Materials Co., Ltd. received a refund from Wuhan Trade State-owned Holding Group Co., Ltd. in 2022 for 2021 which required an audit adjustment and was a matter of 2021 and therefore a prior period error correction was made in 2022. The decrease in administrative expenses for 2021 was RMB 110,292.42 and the increase in other receivables for 2021 was RMB 110,292.42.

2) Jiangtian Metal Company adjusted the prepaid accounts of customers with a long account age (more than 5 years), Jiangtian Metal Company adjusted the prepaid accounts down by RMB 131,576.69 and increased the accounts receivable by RMB 131,576.69.

3) Wuhan Jiangtian Metal Materials Co., Ltd. is a wholly-owned subsidiary of Wuhan Defuqin Asset Management Company, which was not included in the scope of consolidation in the previous year, therefore, it should be included in the scope of consolidation, offset and consolidated at the beginning of the year. Therefore, increase in cash and cash equivalents by RMB 16,529.04, increase in accounts receivable by RMB 15,945,989.87, increase in prepayments by RMB 30,526.99, increase in other receivables by RMB 250,840.52, increase in inventories by RMB 545,478.09, increase in fixed assets by RMB 803,823.14, increase in deferred tax assets by RMB 1,891,728.43. The company also increased its accounts payable by RMB 1,306,147.71, increased accounts receivable by RMB 4,083,217.26, increased employee benefits payable by RMB 301,962.91, increased tax payable by RMB 1,069,252.09, increased other payables by RMB 1,437,715.43, increased capital reserves by RMB 18,844,737.74 and decreased undistributed profits by RMB 6,087,722.90, increased owners' equity attributable to the parent company by RMB 12,757,014.84, increased total owners' equity by RMB 12,757,014.84, increased operating income by RMB 136,510.75, increased taxes and surcharges by RMB 10,897.95, increased administrative expenses by RMB 3,079,145.30, increased finance costs by RMB 247.45, increased other income by RMB 23,441.00, decreased credit impairment loss by RMB 2,601,891.33 and decreased income tax expense by RMB 650,472.83.

(9) Wuhan Zhicheng Tianqi Investment Co., Ltd.

1) Wuhan Zhicheng Tianqi Investment Co., Ltd. did not recognize interest on some bank account deposits at the beginning of the year, which should be increased by RMB 11.45 in bank deposits at the beginning of the year and reduced by RMB 11.45 in finance costs in the previous year;

2) Wuhan Zhicheng Tianqi Investment Co., Ltd. had no corresponding board of directors'

or shareholders' meeting resolutions on common stock dividends payable in the previous year, therefore, the dividends payable at the beginning of the year should be reduced by RMB 2,500,000.00;

3) Wuhan Zhicheng Tianqi Investment Co., Ltd. over-recognized interest from Wuhan Shengtang Enterprise Management Co., Ltd. in the previous year, so it should reduce other receivables at the beginning of the year by RMB 3,645,833.33, tax payable at the beginning of the year by RMB 1,084,360.30, operating income in the previous year by RMB 3,439,465.40, taxes and surcharges in the previous year by RMB 24,764.15 and income tax expense in the previous year by RMB 853,228.22.

(10) Wuhan Qiaokou Tianhua Small Loan Co., Ltd.

1) Wuhan Qiaokou Tianhua Small Loan Co., Ltd. under-provided for loan impairment by RMB 4,004,232.00 in the previous year, therefore, the provision for loan impairment at the beginning of the year should be increased by RMB 4,004,232.00, the net amount of loans and advances granted at the beginning of the year should be decreased by RMB 4,004,232.00 and the credit impairment loss in the previous year should be increased by RMB 4,004,232.00;

2) Wuhan Qiaokou Tianhua Small Loan Co., Ltd. did not classify the previously overpaid business tax to other current assets and therefore should increase other current assets by RMB 69,017.79 and tax payable at the beginning of the year by RMB 69,017.79.

(11) Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd.

1) Jingmen Riyue Real Estate Development Co., Ltd., a subsidiary of Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd. mistakenly charged the expenses incurred to inventories and therefore reduced inventories by RMB 1,000,000.00 at the beginning of the year and increased administrative expenses of the previous year by RMB 1,000,000.00;

2) Hubei SUN-MOON Oil Limited Company, a subsidiary of Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd. did not recognize the inventory sold to the public in a timely manner in 2021, therefore, the inventories were reduced by RMB 5,376,158.58 at the beginning of the period, accounts payable was reduced by RMB 8,140,137.00 (after consolidation and offsetting), tax payable was increased by RMB 672,121.40 and operating cost was reduced by RMB 2,091.857.02 (after consolidation and offsetting);

3) The amounts included in prepayments and other receivables of SUN-MOON Oil Limited Company, a subsidiary of Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd. in 2021 were actually expenses incurred, therefore, the prepayments at the beginning of the year were reduced by RMB 104,800.00, other receivables at the beginning of the year were reduced by RMB 13,000.00 and administrative expenses of the previous year were increased by RMB 117,800.00;

4) Part of the accounts receivable and other receivables of Jingmen Riyue Real Estate Development Co., Ltd. and Hubei SUN-MOON Oil Limited Company, subsidiaries of Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd. in 2021 were actually uncollectible, therefore, the provision for bad debts of accounts receivable at the beginning of the year was increased by RMB 2,091,936.44, the provision for bad debts of other receivables at the beginning of the year was increased by RMB 1,224,602.37 and the provision for credit impairment of the previous year was increased by credit impairment loss of RMB 3,316,538.81;

5) Wuhan Sha'ou Hefeng Oil Co., Ltd., a subsidiary of Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd., part of its prepayments were actually impaired in 2021, so it reclassified the prepayments to other receivables and provided for credit impairment loss, therefore, the prepayments at the beginning of the year were reduced by RMB 5,323,403.20, the other receivables at the beginning of the year were increased by RMB 5,323,403.20, the credit impairment loss at the beginning of the year was increased by provision for bad debts of other receivables by RMB 5,323,403.20 and the credit impairment loss in the prior year was increased by RMB 5,323,403.20.

6) Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd. had some of its inventories deteriorated at the end of 2021, so it increased the provision for impairment of inventories by RMB 322,258.43 at the beginning of the year, increased the impairment loss of assets by RMB 322,258.43 in the previous year, increased deferred tax assets by RMB 80,564.61 at the beginning of the year and decreased deferred income tax expense by RMB 80,564.61 in the previous year;

7) The balance of deferred tax assets recognized by Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd. based on the loss of RMB 6,049.72 in 2010 was RMB 1,512.43, therefore, the deferred tax assets at the beginning of the year was reduced by RMB 1,512.43 and the deferred income tax expense in the previous year was increased by RMB 1,512.43;

8) The book value of bad debt provision for accounts receivable of Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd. did not agree with the actual amount, therefore, the provision for bad debt for accounts receivable at the beginning of the year should be reduced by RMB 0.01 and the credit impairment loss in the previous year should be reduced by RMB 0.01.

(12) Wuhan Commercial Warehousing and Transportation Co., Ltd.

1) The offsetting and consolidation process of Wuhan Commercial Warehousing and Transportation Co., Ltd. in the previous year was incorrect and should be reduced by RMB 1,278,011.16 in capital reserves at the beginning of the year and increased by RMB 1,278,011.16 in undistributed profits at the beginning of the year.

2) Logistics Engineering and Management Magazine (Hubei) Co., Ltd. is a wholly-owned subsidiary of Wuhan Commercial Warehousing and Transportation Co., Ltd. and was not included in the scope of consolidation in the previous year, therefore, it should be included in the scope of consolidation at the beginning of the year and offset and consolidated. Therefore, the amount of cash and cash equivalents was increased by RMB 4,654,058.73, the amount of other current assets was increased by RMB 560.00, the amount of fixed assets was increased by RMB 98,460.39, the amount of employee benefits payable was increased by RMB 44,125.00, the amount of other payables was increased by RMB 3,670,079.40, the amount of capital reserves was decreased by RMB 268,011.16, the amount of undistributed profits was increased by RMB 1,306,885.88, the amount of equity attributable to the parent company was increased by RMB 1,038,874.72, total amount of the equity of owners was increased by RMB 1,038,874.72, the amount of operating income was increased by RMB 1,291,116.86, the amount of operating costs was increased by RMB 1,097,219.00, the amount of selling expenses was increased by RMB 205,024.22, the amount of finance costs was reduced by RMB 5,972.20, the amount of other income was increased by RMB 7,073.74, the amount of investment income was increased by RMB 1,492,193.12 and the amount of income tax expense was reduced by RMB 132.80.

(13) Wuhan Wanxin Investment Co., Ltd.

1) Wuhan Wanxin Investment Co., Ltd. did not recognize interest on some of its bank accounts in the previous year and the Company increased bank deposits at the beginning of the year by RMB 22.29 and reduced finance costs by RMB 22.29 based on bank correspondence;

2) Wuhan Wanxin Investment Co., Ltd. incorrectly accounted for RMB 772,800.00 of the "three supplies and one industry" expenses paid by Wuhan Trade State-owned Holding Group Co., Ltd. and Wuhan Materials Real Estate Co., Ltd., which should be increased by RMB 772,800.00 of other receivables at the beginning of the year, and increased by RMB 772,800.00 of undistributed profits at the beginning of the year - profit or loss of previous years;

3) The closing balance of "Other receivables-Wuhan Zhongzhi Hanyang Trading Co. Ltd. was RMB 10,000.00, which was a financial consulting fee paid by Wuhan Wanxin Investment Co., Ltd. on behalf of Wuhan Zhongzhi Hanyang Trading Co. Ltd. in 2021. Wuhan Zhongzhi Hanyang Trading Co. Ltd. no longer has actual operations, the amount is not expected to be recovered and therefore a credit impairment loss has been charged in full. The provision for bad debts of other receivables at the beginning of the year was increased by RMB 10,000.00, the credit impairment loss in the prior year was increased by RMB 10,000.00, the deferred tax asset at the beginning of the year was increased by RMB 2,500.00 and the income tax expense

in the prior year was decreased by RMB 2,500.00;

4) Wuhan Wanxin Investment Co., Ltd. accounted for its equity interests in Wuhan Zhengda Logistics Co., Ltd. and Wuhan Zhengkai Logistics Co., Ltd. under the equity method. The prior year's investment income calculated by the Company under the equity method was inaccurate and should be reduced by RMB 1,297,588.56 for long-term equity investments at the beginning of the year and by RMB 1,297,588.56 for prior year's investment income;

5) According to the relevant agreement of the debt restructuring agreement signed between Wuhan Wanxin Investment Co., Ltd., Wuhan Zhongzhi Hanyang Trading Co. Ltd., Wuhan Zhongzhi Investment Co., Ltd. and Hu Hanqiao on January 15th, 2016: Wuhan Wanxin Investment Co., Ltd. accepted the Jiali Plaza from the offsetting assets of Wuhan Zhongzhi Hanyang Trading Co. Ltd. as the offsetting assets of the Company, while the assets were accepted by Wuhan Xinjiada Trading Co., Ltd., on the one hand, to increase other receivables at the beginning of the year by RMB 2,450,000.00, and on the other hand, to increase undistributed profits at the beginning of the year - prior years' profit and loss by RMB 2,450.00 million; to reduce the provision for bad debts of other receivables at the beginning of the year by RMB 2,050,000.00, and to reduce other receivables at the beginning of the year by RMB 2,050,000.00; and to reduce deferred tax assets at the beginning of the year by RMB 512,500.00 and to reduce undistributed profits - prior years' gains and losses at the beginning of the year;

6) Wuhan Zhongzhi Hanyang Trading Co. Ltd. has ceased operations, has failed to generate operating income and has not commenced any new operations. After an inspection of its assets by relevant personnel of Wuhan Wanxin Investment Co., Ltd., the assets of Wuhan Zhongzhi Hanyang Trading Co. Ltd. were mainly debts on other shareholders (Hu Hanqiao and Zhongzhi Investment Company). The management of the Company judged that the long-term equity investment of Wuhan Zhongzhi Hanyang Trading Co. Ltd. had been impaired and, based on the principle of prudence, a 90% provision for asset impairment was made and therefore the provision for impairment of long-term equity investment at the beginning of the year was increased by RMB 14,400,000.00 and the impairment loss on assets in the prior year was increased by RMB 14,400,000.00;

7) Wuhan Wanxin Investment Co., Ltd. leased 12 sets of shops in Jinchang Commercial City, No. 728 Hanzheng Street, Qiaokou District to Wuhan Ginza Commercial Operation Management Co., Ltd. and therefore increased investment properties at the beginning of the year by RMB 2,950,000.00, increased accumulated depreciation of investment properties at the beginning of the year by RMB 265,500.00, decreased fixed assets at the beginning of the year by RMB 2,950,000.00 and decreased 265,500.00 to accumulated depreciation of fixed assets at the beginning of the year;

8) Wuhan Wanxin Investment Co., Ltd. accounted for the Chinese paintings held in intangible assets, which should be reclassified to other non-current assets, and therefore increased other non-current assets by RMB 80,000.00 and decreased intangible assets by RMB 80,000.00 at the beginning of the year;

9) According to the relevant agreement of the agreement on the transfer of debts and offsetting of debts signed by Wuhan Wanxin Investment Co., Ltd. (Party A), Wuhan Yongfenghang Investment Holding Group Co., Ltd. (Party B) and Wuhan Yongfenghang Commercial Investment Co., Ltd. (Party C) on February 6th, 2016, as at February 6th, 2016, interest receivable from Wuhan Wanxin Investment Co., Ltd. amounted to RMB 7,699,900.00, which was not been recorded in a timely manner, therefore an increase of RMB 7,699,900.00 in other receivables at the beginning of the year, an increase of RMB 461,994.00 in tax payable at the beginning of the year and an increase of RMB 7,237,906.00 to undistributed profits at the beginning of the year - prior years' profit and loss;

10) The closing balance of "Other payables - others" of 2021 was RMB 3,007,021.00, of which RMB 2,950,832.74 represented unpaid bonuses over accrued in previous years, therefore, the amount of other payables at the beginning of the year was reduced by RMB 2,950,832.74 and the amount of undistributed profit at the beginning of the year-prior years' profit or loss was increased by RMB 2,950,832.74;

11) The rent received in advance from Wuhan Wanxin Investment Co., Ltd. for Tong Yi Building on July 20th, 2015 amounted to RMB 56,196.00, which was not carried forward to income, therefore, other payables were reduced by RMB 56,196.00 and undistributed profit at the beginning of the year - prior years' profit and loss was increased by RMB 56,196.00;

12) Wuhan Wanxin Investment Co., Ltd. received rent in advance from Wuhan Ginza Commercial Operation Management Co., Ltd. which was not included in the accounting of receivables in advance, therefore, the receivables in advance at the beginning of the year were increased by RMB 248,544.00 and other payables at the beginning of the year were decreased by RMB 248,544.00;

13) After the above adjustments, the income tax expense at the beginning of the year and surplus reserves need to be adjusted, so the tax payable at the beginning of the year was increased by RMB 1,716,414.59, the prior year income tax expense was increased by RMB 1,716,414.59 and the surplus reserves were decreased by RMB 1,387,905.56;

14) Wuhan Yaoyue Technology Development Co., Ltd., a subsidiary of Wuhan Wanxin Investment Co., Ltd.'s subsidiary, Wuhan Changxin Equity Investment Fund Co., Ltd., was settled and the deferred tax assets previously accrued were reversed, so the deferred tax assets at the beginning of the year were reduced by RMB 270,000.00, the undistributed profit

(consolidated) at the beginning of the year was reduced by RMB 136,687.50 and the minority interest at the beginning of the year was reduced by RMB 133,312.50.

VI. Taxes

1. Main tax types and rates

Type of tax	Taxation basis	Tax rate
Value-added tax (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%
Urban Maintenance and Construction Tax	Amount of turnover tax payable	7%
Education surcharge	Amount of turnover tax payable	3%
Local education surcharge	Amount of turnover tax payable	1.5%, 2%
Land use tax	Land use area	15, 12, 4.5 RMB/m ² /year
Property tax	1.2% of the original value of the property less 20% and 30% of the remaining value in one lump sum for the operation of self-occupied premises; for rental premises, 12% of the rental income	1.2%, 12%
Enterprise income tax	Taxable income	25%, 16.50%, 15%

Implementation of different enterprise income tax rates for taxable entities

Name of taxable entity	Income tax rates
Changsha Shaoguang Semiconductor Co., Ltd. (Hereinafter referred to as "Changsha Shaoguang")	Exempt from levy in 2020-2025, reduced by 10% in subsequent years
Vincotech Electronic MODULES (Shenzhen) Co., Ltd. (Hereinafter referred to as "Vincotech Electronic")	15%
Hunan Jiuqiang Xundun Information Technology Co., Ltd. (Hereinafter referred to as "Jiuqiang Xundun")	Exempt from 2019-2020, reduced by half at 25% from 2021-2023
Wuhan Navigation and LBS, Inc. (Hereinafter referred to as "Wuhan Navigation & LBS")	15%
Jiangsu Weike Electronics Co., Ltd. (Hereinafter referred to as "Jiangsu Weike")	15%
Shenzhen Cestar Electronic Technology Co., Ltd. (Hereinafter referred to as "Shenzhen Cestar")	15%
Honglin Microelectronics (Kunshan) Co., Ltd. (Hereinafter referred to as "Honglin Microelectronics")	15%
Cestar (Peixian) Electronic Technology Co., Ltd. (Hereinafter referred to as "Peixian Cestar")	20%
Shenzhen Wanyiyuan Technology Co., Ltd. (Hereinafter referred to as "Wanyiyuan")	20%
CE Star (HK) Co., Limited (Hereinafter referred to as "HK CE Star")	16.50%
Wuhan Credit Information Management Co., Ltd. (Hereinafter referred to as "Credit Information")	15%
Chongqing Wandun Cold Storage Logistics Co., Ltd. (Hereinafter referred to as "Chongqing Wandun")	15%
Other taxable entities other the above	25%

2. Tax benefits and approvals

(1) VAT tax benefits

1) Pursuant to the *Circular of the Ministry of Finance and the State Taxation Administration on the Adjustment of VAT Policy on Military Products* (Cai Shui [2021] No. 67), from January 1st, 2022 onwards, the sales contracts of military products entered into by Changsha Shaoguang, a subsidiary of the Company, are subject to VAT in accordance with the regulations. While contracts of military products entered into before January 1st, 2022 are exempted from VAT in accordance with the *Circular of the Ministry of Finance and the State Taxation Administration on the VAT Policy on Military Products* (Cai Shui [2014] No. No. 28).

2) According to the *Announcement on VAT Exemption for Small-scale VAT Payers* (Announcement No. 15 of 2022 by the Ministry of Finance and the State Taxation Administration), from April 1st, 2022 to December 31st, 2022, small-scale VAT payers would be exempt from VAT on their taxable sales income subject to a 3% levy rate; and VAT prepayment would be suspended for VAT prepayment items subject to a 3% prepayment rate. The implementation period of the tax preferential policies stipulated in Article 1 of the *Announcement of the Ministry of Finance and the State Taxation Administration on the Renewal of the Implementation of Some Tax Preferential Policies in Response to the COVID-19 Epidemic* (Announcement No. 7 of 2021 by the Ministry of Finance and the State Taxation Administration) has been extended to March 31st, 2022.

3) Wuhan Roulian Food Co., Ltd., a subsidiary of the Group, was exempted from VAT on the distribution of certain fresh meat and egg products in accordance with the *Notice of the State Taxation Administration on the Policy of Exemption from VAT on the Distribution of Certain Fresh Meat and Egg Products* Cai Shui [2012] No. 75.

(2) Income tax benefits

1) Hangjin Technology's parent company was jointly recognized as a high-tech enterprise by the Department of Science & Technology of Liaoning Province, the Liaoning Provincial Department of Finance and the Liaoning Provincial Tax Service, State Taxation Administration on December 14th, 2021 and obtained the *High-tech Enterprise Certificate* (No. GR202121001335), which is valid for three years. The income tax rate is reduced by 15% and the preferential period for enterprise income tax is from 2021 to 2023. In January 2022, the Company decentralized its chemical business to its wholly-owned subsidiary, Hangjin Jinxi Chlor Alkali Chemical Co., Ltd., and the assets and liabilities related to the chemical business were transferred at the same time. After the transfer, the Company only undertakes management functions and sales of some products, and does not produce chemical products, so the Company has elected to apply the income tax rate of 25% starting from this year.

2) Changsha Shaoguang passed the re-evaluation on September 11th, 2020 and was jointly recognized as a high-tech enterprise by the Department of Science and Technology of Hunan

Province, the Hunan Provincial Department of Finance and the Hunan Provincial Tax Service, State Taxation Administration, and obtained the *High-tech Enterprise Certificate* (No. GR202043001157), which is valid for three years. The income tax rate is reduced by 15%, and the preferential period for enterprise income tax is from 2020 to 2022. According to the *Notice of the State Council on the Issuance of Several Policies to Promote High-Quality Development of Integrated Circuit Industry and Software Industry in the New Era* (Guo Fa [2020] No. 8), Changsha Shaoguang belongs to the key integrated circuit design enterprises and software enterprises encouraged by the State, which shall be exempted from enterprise income tax from the first year to the fifth year starting from 2020, and the enterprise income tax shall be levied at a reduced rate of 10% in subsequent years.

3) Vincotech Electronic was jointly recognized as a high-tech enterprise by the Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration in December 2020 and obtained the *High-tech Enterprise Certificate* (No. GR202044200409), which is valid for three years. The income tax rate is reduced by 15% and the preferential enterprise income tax period is from 2020 to 2022.

4) Hunan Jiuqiang was jointly recognized by the Department of Science and Technology of Hunan Province, the Hunan Provincial Department of Finance and the Hunan Provincial Tax Service, State Taxation Administration on October 18th, 2022 and obtained the *High-tech Enterprise Certificate* (No. GR202243001908), which is valid for three years. The income tax rate is reduced by 15% and the preferential enterprise income tax period is from 2022 to 2024. According to the *Notice on Enterprise Income Tax Policies to Further Encourage the Development of Software Industry and Integrated Circuit Industry* (Cai Shui [2012] No. 27), the *Notice on Issues Relating to Preferential Enterprise Income Tax Policies for Software and Integrated Circuit Industry* (Cai Shui [2016] No. 49), the *Announcement on Policies Applicable to the 2019 Annual Enterprise Income Tax Settlement of Integrated Circuit Design and Software Enterprises* (Announcement No. 29 of 2020 by the Ministry of Finance and the State Taxation Administration), the company is exempt from enterprise income tax from the first to the second year, and the enterprise income tax is levied at a 50% reduction in the statutory tax rate of 25% from the third to the fifth year starting from 2019.

5) Wuhan Navigation & LBS was jointly recognized by the Department of Science and Technology of Hubei Province, the Department of Finance of Hubei Province and the Hubei Provincial Tax Service, State Taxation Administration on November 15th, 2019 and obtained the *High-tech Enterprise Certificate* (No. GR2019420001359), which is valid for three years. The income tax rate is reduced by 15% and the preferential period of enterprise income tax is from 2019 to 2021. On December 19th, 2022, the company was recognized by the National High-tech Enterprise Identification and Management Leading Group Office as the third batch of 2,153 high-tech enterprises in Hubei Province, and the results of the filing were announced, and the

income tax rate for 2022 was calculated at 15%.

6) Jiangsu Weike was jointly recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province and the Jiangsu Provincial Tax Service, State Taxation Administration in December 2020 and obtained the *High-tech Enterprise Certificate* (No. GR202032006192), which is valid for three years. The income tax rate is reduced by 15% and the preferential enterprise income tax period is from 2020 to 2022.

7) Shenzhen Cestar was jointly recognized as a high-tech enterprise by the Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration on December 14th, 2022 and obtained the *High-tech Enterprise Certificate* (No. GR202244201562), which is valid for three years. The income tax rate is reduced by 15% and the preferential enterprise income tax period is from 2022 to 2024.

8) Honglin Microelectronics was jointly reviewed and recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province and the Jiangsu Provincial Tax Service, State Taxation Administration on November 3rd, 2021, which is valid for three years with a reduced income tax rate of 15% and a preferential enterprise income tax period from 2021 to 2023.

9) Credit Information was jointly recognized as a high-tech enterprise by the Department of Science and Technology of Hubei Province, the Department of Finance of Hubei Province and the Hubei Provincial Tax Service, State Taxation Administration on December 1st, 2020, which is valid for three years with a reduced income tax rate of 15% and a preferential enterprise income tax period from 2020 to 2022.

10) Chongqing Wandun is entitled to a preferential tax policy of 15% enterprise income tax rate in accordance with Article 2 of the *Notice on Tax Policy Issues Related to the Further Implementation of the Western Development Strategy* Cai Shui [2011] No. 58 of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration.

11) According to Article 2 of the *Announcement on Issues Relating to the Implementation of the Policy of Universal Income Tax Relief for Small Low-profit Enterprises* (Cai Shui [2019] No. 13) issued by the State Taxation Administration, from January 1st, 2019 to December 31st, 2021, the portion of the annual taxable income of small low-profit enterprises that does not exceed RMB 1 million shall be reduced by 25% of the taxable income and subject to enterprise income tax at a rate of 20%; the portion of the annual taxable income that exceeds RMB 1 million but does not exceed RMB 3 million shall be reduced by 50% of the taxable income and subject to enterprise income tax at a rate of 20%. On April 2nd, 2021, the State Taxation Administration issued the *Announcement on the Implementation of Preferential Income Tax Policies for Micro and Small-sized Enterprises and Individual Entrepreneurs*, which is effective from January 1st,

2021 to December 31st, 2022. During the period from January 1st, 2021 to December 31st, 2022, the enterprise income tax shall be reduced by 50% on the basis of the preferential policies stipulated in Article 2 of the *Announcement on Issues Related to the Implementation of the Policy on Preferential Income Tax Relief for Small Low-profit Enterprises* (Cai Shui [2019] No. 13).

(3) Land use tax incentives

According to the *Notice of the State Taxation Administration on the Issuance of <Supplementary Provisions on Certain Specific Issues Concerning Land Use Tax>* (89) (Guo Shui Di Zi No. 140), Article 8: Fire, explosion and drug prevention and other security land exemption from land tax.

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* (Cai Shui [2016] No. 1), *Notice of the Ministry of Finance and the State Taxation Administration on the Continued Implementation of Preferential Policies on Urban Land Use Tax for Land Used for Bulk Commodity Storage Facilities for Logistics Enterprises* (Cai Shui [2017] No. 33), the land belonging to the agricultural products market of Roulian Company was fully exempted from land use tax, and 50% reduction and exemption for land in logistics industry.

(4) Other preferential policies

1) According to the *Notice on Further Supporting the Tax Policies Related to the Entrepreneurship and Employment of Self-Employed Retired Soldiers* (Cai Shui [2019] No. 21): "Enterprises recruiting self-employed retired soldiers, and signed a labor contract for a period of more than 1 year and pay social insurance premiums, from the month of signing the labor contract and payment of social insurance, the actual number of recruits in 3 years to a fixed amount of deductions in order of value-added tax, urban maintenance and construction tax, education surcharge, local education surcharge and enterprise income tax preferences. The fixed standard is RMB 6,000 per person per year, up to 50%, and the people's governments of each province, autonomous region and municipality directly under the Central Government may determine the specific fixed standard within this range according to the actual situation in the region." The implementation period of this tax policy is from January 1st, 2019 to December 31st, 2021. Taxpayers who have enjoyed the tax benefits under this notice for less than three years on December 31st, 2021, may continue to enjoy until the expiration of the three-year period.

2) The subsidiary Wuhan Roulian 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* (Cai Shui [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* (Cai Shui [2016] No. 1) and the *Notice of the Ministry of Finance and the State Taxation Administration on the Continued Implementation of Preferential Policies on Urban Land Use Tax for Land Used for Bulk Commodity Storage Facilities for Logistics Enterprises* (Cai Shui

[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

	Company name	Level	Business type	Main place of business	Place of registration	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
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.	II	1	Wuhan	Wuhan	Investment and development
6	Wuhan Yangluo Development Co., Ltd.	II	1	Wuhan	Wuhan	Investment in development zone construction
7	Wuhan Financial Assets Exchange Co., Ltd.	II	1	Wuhan	Wuhan	Financial assets trading and consulting
8	Wuhan Changjiang Financial Service Co., Ltd.	II	1	Wuhan	Wuhan	Financial information and data processing service; Financial software technology development, etc.
9	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
10	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.
11	Guotong Trust Co., Ltd.	II	2	Wuhan	Wuhan	Fund trust; trusts for movable property; trusts for immovable property; trusts for marketable securities; trusts for other property or property rights
12	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.
13	Wuhan Changjiang International Trade Group Co., Ltd.	II	1	Wuhan	Wuhan	Sales of non-metallic minerals and products; sales of chemical products, etc.

	Company name	Level	Business type	Main place of business	Place of registration	Business nature
14	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 amount	Acquisition method
1	Wuhan Development Investment Co., Ltd.	14,400,000,000.00	100.00	100.00	15,192,366,722.36	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.	502,872,724.87	100.00	100.00	457,044,468.03	4
4	Wuhan Construction Investment Company	300,000,000.00	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 Yangluo Development Co., Ltd.	555,000,000.00	100.00	100.00	553,426,881.58	4
7	Wuhan Financial Assets Exchange Co., Ltd.	120,000,000.00	75.00	75.00	90,000,000.00	1
8	Wuhan Changjiang Financial Service Co., Ltd.	270,000,000.00	80.00	80.00	212,245,515.00	1
9	Wuhan Rongwei Escort Security Service Co., Ltd.	260,000,000.00	100.00	100.00	270,643,110.29	4
10	Hubei Financial Leasing Co., Ltd.	4,000,000,000.00	49.00	49.00	1,470,000,000.00	1
11	Guotong Trust Co., Ltd.	4,158,374,776.08	75.00	75.00	9,174,763,105.61	3
12	Wuhan Changjiang Asset Operation Management Co., Ltd.	144,200,000.00	100.00	100.00	202,917,893.25	1
13	Wuhan Changjiang International Trade Group Co., Ltd.	4,175,261,807.78	100.00	100.00	4,175,261,807.78	1
14	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. overseas subsidiaries; 4. public institutions; 5. infrastructure units.

Acquisition 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	Shareholding ratio (%)	Voting right (%)	Registered capital	Investment amount	Level	Reasons for inclusion in the scope of consolidation
Hubei Financial Leasing Co., Ltd.	49	49	4,000,000,000.00	1,470,000,000.00	II	Reasons for inclusion in the scope of consolidation

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. Change in scope of consolidation during the period

New entities included in the scope of consolidation during the period

Company name	Shareholding ratio (%)	Voting right (%)	Net assets at the end of the period	Net profit for the period
Wuhan Changjiang International Trade Group Co., Ltd.	100	100	4,506,338,805.79	12,821,653.04

Note: According to the "Resolution of the Five Hundred and Nineteenth Meeting of the Second Session of the Board of Directors of Wuhan Financial Holdings (Group) Co., Ltd. (Reached by signed circular) (WJKD [2022] No. 90) and the "Notice of the General Office of the Municipal People's Government on the Issuance of the Implementation Plan for the Establishment of Wuhan Changjiang International Trade Group Co., Ltd." (WZB [2022] No. 65), the Company was agreed to establish a new wholly-owned subsidiary "Wuhan Changjiang International Trade Group Co., Ltd." (hereinafter referred to as "Changjiang International Trade") by way of monetary contribution and equity contribution. For the equity contribution, the Company injected the equity of Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd., Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd., Wuhan International Exchange Service Centre Co., Ltd., and Wuhan Yangluo Port Services Co., Ltd. into Changjiang International Trade.

4. Significant non-wholly owned subsidiaries

(1) Non-controlling interests

No.	Name of subsidiary	Non-controlling interest's shareholding ratio	Profit or loss attributable to non-controlling interests in the current period	Dividends paid to non-controlling interests in the current period	Accumulated non-controlling interests at the end of the period
1	Hubei Financial Leasing Co., Ltd.	51.00%	487,622,924.19		3,323,181,437.27
2	Guotong Trust Co., Ltd.	25.00%	146,861,555.58		1,887,713,717.19

(2) Key financial information

Item	Amount in current period	
	Hubei Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.
Total assets	52,391,371,824.18	9,162,442,589.02
Total liabilities	45,875,329,790.34	1,381,584,284.49
Operating income	3,316,643,610.51	1,104,562,906.23
Net profits	956,123,380.76	587,446,222.34
Total comprehensive income	956,123,380.76	587,446,222.34
Cash flows from operating activities	-529,814,751.76	-520,757,236.40

(Continued)

Item	Amount in previous period	
	Hubei Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.
Total assets	44,521,758,014.91	10,319,622,704.19
Total liabilities	38,961,839,361.83	3,126,210,622.00
Operating income	2,937,041,066.14	1,255,031,134.00
Net profits	852,881,081.51	564,373,753.48
Total comprehensive income	852,881,081.51	564,373,753.48
Cash flows from operating activities	-1,673,239,970.42	1,003,213,633.23

VIII. Notes to significant items in the consolidated financial statements

In the financial statement data disclosed below, "Closing" refers to December 31st, 2022, and "Opening" refers to January 1st, 2022; "Current period" refers to January 1st to December 31st, 2022 and "Prior period" refers to January 1st to December 31st, 2021; the currency unit shall be in RMB unless otherwise stated.

1. Cash and cash equivalents

(1) Balance of cash and cash equivalents

Item	Closing balance	Opening balance
Cash on hand	3,177,008.06	2,426,439.84
Bank deposit	8,697,917,077.65	10,679,202,321.68
Other cash and cash equivalents	619,057,491.47	749,793,852.19
Total	9,320,151,577.18	11,431,422,613.71
Including: Total funds held outside the country	2,583,684.59	3,755,215.31

(2) Details of restricted cash and cash equivalents

Item	Closing balance	Opening balance
Margin on bank acceptance bills	310,245,000.02	296,430,678.16
Letter of credit margin	9,990,400.00	21,963,259.61
Performance bond	275,575,500.11	185,867,196.73
Time deposits or call deposits for security purposes	55,000,000.00	
Amounts held offshore and subject to restrictions on repatriation of funds		
Deposit of central bank legal reserve	69,005,733.90	67,996,104.12
Others	2,849,686.72	52,513,447.52
Total	722,666,320.75	624,770,686.14

Note: Others are frozen bank deposits and bills margin.

2. Financial assets held for trading

Item	Closing fair value	Opening fair value
Financial assets classified as at fair value through profit or loss	5,013,003,374.19	6,009,784,060.25
Including: Investments in debt instruments	3,919,894,986.64	5,419,834,286.33
Investments in equity instruments	1,093,108,387.55	589,949,773.92
Others		
Financial assets designated as at fair value through profit or loss		
Including: Investments in debt instruments		
Others		
Total	5,013,003,374.19	6,009,784,060.25

Note: Financial assets classified as financial assets at fair value through profit or loss - investments in debt instruments decreased during the period mainly due to the decrease of RMB 1,533 million in debt investments and trust plans of the Company's subsidiary Guotong Trust.

3. Notes receivable

Classification of notes receivable

Type	Closing balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Expected credit loss (%)
Notes receivable for which bad debt provision is made on an individual basis	794,599.25	0.10	25,828.96	3.25
Notes receivable for which bad debt provision is made on a portfolio basis	829,480,581.59	99.90	19,638,565.76	2.37
Total	830,275,180.84	100.00	19,664,394.72	2.37

(Continued)

Type	Opening balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Expected credit loss (%)
Notes receivable for which bad debt provision is made on an individual basis	1,966,693.15	0.25	236.40	0.01
Notes receivable for which bad debt provision is made on a portfolio basis	794,979,367.61	99.75	31,063,871.30	3.91
Total	796,946,060.76	100.00	31,064,107.70	3.90

4. Accounts receivable

(1) Disclosure of accounts receivable by aging

Aging	Closing balance	Opening balance
Within 1 year (Including 1 year)	1,548,985,524.28	1,395,831,937.06
1-2 years	323,499,276.63	518,092,030.35
2-3 years	167,589,353.14	70,385,151.52
Over 3 years	561,511,586.85	602,942,903.39
Subtotal	2,601,585,740.90	2,587,252,022.32
Less: Provision for bad debts	491,829,896.58	477,431,874.03
Total	2,109,755,844.32	2,109,820,148.29

(2) Disclosure of accounts receivable by bad debt provision method

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss (%)	
Accounts receivable for which bad debt provision is made on an individual basis	192,831,983.62	7.41	139,383,150.53	72.28	53,448,833.09
Accounts receivable for which bad debt provision is made based on a combination of credit risk characteristics	2,408,753,757.28	92.59	352,446,746.05	14.63	2,056,307,011.23
Total	2,601,585,740.90	—	491,829,896.58	18.91	2,109,755,844.32

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss (%)	
Accounts receivable for which bad debt provision is made on an individual basis	141,892,098.45	5.48	131,161,971.01	92.44	10,730,127.44
Accounts receivable for which bad debt provision is made based on a combination of credit risk characteristics	2,445,359,923.87	94.52	346,269,903.02	14.16	2,099,090,020.85
Total	2,587,252,022.32	—	477,431,874.03	18.45	2,109,820,148.29

(3) Accounts receivable for which provision for bad debts was made on an individual basis at the end of the period

Name of debtor	Book balance	Provision for bad debts	Expected credit loss	Accrual reason
Wuhan Industrial Investment Asset Management Co., Ltd.	50,000,000.00	50,000,000.00	100.00%	With an aging of over five years
Gohigh Networks Co., Ltd.	45,920,000.00	1,109,372.91	2.00%	Not settled
Fangzheng Dongya - Dongxing No. 33 Victoria Moore City Collective Trust Scheme	40,849,498.21	40,849,498.21	100.00%	Not expected to be recovered
Tongyi Industrial Group Co., Ltd.	17,631,183.32	17,631,183.32	100.00%	Not expected to be recovered
Wuhan Keda Measuring & Mapping Instrument Co., Ltd.	9,890,000.00	4,945,000.00	50.00%	Not expected to be recovered in full
Fangzheng Dongya -Fangxing No. 322 Jurong Chishan Lake PPP Pooled Fund Trust Scheme	3,417,568.79	3,417,568.79	100.00%	Not expected to be recovered
Wuhan Jiaxiang Technology Co., Ltd.	3,400,000.00	1,700,000.00	50.00%	Not expected to be recovered in full

Name of debtor	Book balance	Provision for bad debts	Expected credit loss	Accrual reason
China Electronics XT Science & Technology (Beijing) Co., Ltd.	2,939,616.03	2,939,616.03	100.00%	Not expected to be recovered
Liaoning Beidou Satellite Navigation Platform Co., Ltd.	2,330,252.00	1,165,126.00	50.00%	Not expected to be recovered in full
Jinzhou Tongyi Jiahe Storage and Transportation Co., Ltd.	1,962,059.73	1,962,059.73	100.00%	Not expected to be recovered
Shenzhen MingZhi Integrated Corporation Co., Ltd.	1,519,360.00	759,680.00	50.00%	Not expected to be recovered in full
Shaanxi Heyang Guihua Clean Energy Co., Ltd.	1,500,000.00	1,500,000.00	100.00%	Not expected to be recovered
Wuhan Beidou Zhitong Technology Co., Ltd.	1,497,136.00	1,497,136.00	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
Other transactions	1,398,071.10	1,329,671.10	95.11%	Not expected to be recovered in full
Huaxia CPV (Inner Mongolia) POWER Co., Ltd.	840,000.00	840,000.00	100.00%	Not expected to be recovered
Qianxun Spatial Intelligence Inc.	776,460.00	776,460.00	100.00%	Not expected to be recovered
Huizhou HND Technology Co., Ltd.	667,375.33	667,375.33	100.00%	Not expected to be recovered
Shenzhen Grentech RF Communication Limited	509,051.72	509,051.72	100.00%	Not expected to be recovered
Fangzheng Dongya - Collective Loan Pooled Fund Trust Scheme for Joint Development of Grid-connected Photovoltaic Power Station Project	222,333.36	222,333.36	100.00%	Not expected to be recovered
Fangzheng Dongya - Tempus and Buttonwood Company Acquisition Pooled Fund Trust Scheme	159,460.67	159,460.67	100.00%	Not expected to be recovered
Summary of individual amounts for Trading Holding Company	3,975,674.16	3,975,674.16	100.00%	Not expected to be recovered
Total	192,831,983.62	139,383,150.53		

(4) Accounts receivable for which bad debt provision is made based on a combination of credit risk characteristics

Accounts receivable for which provision for bad debts is made using other portfolio methods

Name of portfolio	Closing balance		
	Book balance	Accrual Ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	2,375,924,821.47	14.83	352,446,746.05
Portfolio 2 Low-risk portfolio	32,828,935.81		
Total	2,408,753,757.28	—	352,446,746.05

(Continued)

Name of portfolio	Opening balance		
	Book balance	Accrual Ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	2,402,377,607.28	14.41	346,265,055.57
Portfolio 2 Low-risk portfolio	42,982,316.59	0.01	4,847.45
Total	2,445,359,923.87	—	346,269,903.02

(5) Top five accounts receivable with closing balances grouped by debtors

Name of debtor	Book balance	As a percentage of total accounts receivable (%)	Provision for bad debts
Jizhong Energy International Logistics Group Co., Ltd.	143,645,132.46	5.52	143,645,132.46
Subsidies receivable	86,261,248.72	3.32	
Client 1	84,390,410.96	3.24	4,509,334.43
Kunming West Bus Station Co., Ltd.	73,963,875.00	2.84	2,218,916.25
Hubei Jinyinfeng Food Co., Ltd.	59,718,132.66	2.30	
Total	447,978,799.80	17.22	150,373,383.14

Note: Client 1 is an important client of Hangjin Technology, and the real client information is not disclosed because Hangjin Technology's military products business is confidential.

5. Receivables financing

Type	Closing balance	Opening balance
Notes receivable	59,494,897.71	47,556,825.75
Accounts receivable		
Total	59,494,897.71	47,556,825.75

6. Prepayments

(1) Aging of prepayments

Aging	Closing balance		
	Book value		Provision for bad debts
	Amount	Ratio (%)	
Within 1 year (including 1 year)	6,110,231,904.23	89.62	
1-2 years	548,823,044.89	8.05	137,854.62
2-3 years	7,434,827.57	0.11	
Over 3 years	151,479,186.84	2.22	
Total	6,817,968,963.53	100.00	137,854.62

(Continued)

Aging	Opening balance		
	Book value		Provision for bad debts
	Amount	Ratio (%)	
Within 1 year (Including 1 year)	4,150,042,859.47	95.02	16,213.59
1-2 years	52,198,483.69	1.20	1,076,959.78
2-3 years	3,523,001.09	0.08	438.19
Over 3 years	161,387,316.17	3.70	
Total	4,367,151,660.42	100.00	1,093,611.56

(2) Significant prepayments aged over 1 year and uncollected

Creditor	Debtor	Closing balance	Aging	Reasons for non-settlement
Wuhan Financial Holdings (Group) Co., Ltd.	Yulong Group Co., Ltd.	486,058,778.11	1-2 years	House not delivered
Wuhan Changfa Land Co., Ltd.	Xianfeng Village in East Lake Scenic Area	128,705,103.50	Over 3 years	Project terminated, to be withdrawn
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Moon Environment Technology Co., Ltd.	14,959,286.04	1-2 years	Not yet settled
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Wuhan Branch of China Railway Bridge Survey and Design Institute Group Co., Ltd.	13,885,309.60	1-2 years	Not yet settled
Wuhan Changfa Land Co., Ltd.	Assumption of interest on the return of the loan for the construction of the house by Xianfeng Village	11,206,906.71	Over 3 years	Project terminated, to be withdrawn
Total		654,815,383.96		

(3) Top five prepayments with closing balances, grouped by party in arrears

Name of debtor	Book balance	As a percentage of total prepayments (%)	Provision for bad debts
Yulong Group Co., Ltd.	702,058,778.11	10.30	
Ningbo Lianbangchangyun International Trade Co., Ltd.	479,898,844.10	7.04	
Supplier 1	420,587,306.24	6.17	
Wuhan Xianjuquan Food Co., Ltd.	374,326,930.04	5.49	
Mengfu (Hubei) Animal Husbandry Co., Ltd.	331,906,282.31	4.86	
Total	2,308,778,140.80	33.86	

Note: Supplier 1 is a core supplier of the Company's subsidiary, Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd., and the actual supplier information has not been disclosed as it involves business secret.

7. Other receivables

Item	Closing balance	Opening balance
Interest receivable	44,111,850.73	778,224,388.39
Dividends receivable	3,332,665.60	4,948,969.26
Other receivables	13,086,501,787.24	8,475,309,611.51
Total	13,133,946,303.57	9,258,482,969.16

(1) Interest receivable

Item	Closing balance	Opening balance
Time deposit		
Entrusted loan	2,750,000.00	964,560.00
Bond investment		
Others	41,361,850.73	777,259,828.39
Total	44,111,850.73	778,224,388.39

Note: Other items mainly represent funds possession costs and finance lease interest income receivable for the provision of funds.

(2) Dividends receivable

Item	Closing balance	Opening balance	Reasons for non-recovery	Whether impairment has occurred and the basis for the judgment
Dividends receivable aged within one year		4,948,969.26		
Including:1. Hankou Bank Co., Ltd.		3,322,953.00		
2.Wuhan Haier Electric Appliance Co., Ltd.		1,626,016.26		
Dividends receivable aged over 1 year	3,332,665.60			
Including:1. Hankou Bank Co. Ltd.	3,332,665.60		Declared but not issued	No
Total	3,332,665.60	4,948,969.26	—	—

(3) Other receivables

1) Disclosure of other receivables by aging

Aging	Closing balance	Opening balance
Within 1 year (Including 1 year)	7,959,790,283.98	3,153,367,127.45
1-2 years	1,992,394,687.52	4,857,689,841.16
2-3 years	3,830,994,488.66	466,138,803.99
Over 3 years	3,311,796,177.83	3,971,371,185.21
Subtotal	17,094,975,637.99	12,448,566,957.81
Less: Provision for bad debts	4,008,473,850.75	3,973,257,346.30
Total	13,086,501,787.24	8,475,309,611.51

Note: The significant change in other receivables at the end of the period as compared with the beginning of the period was mainly due to the payment to Tongchuangjiuding Investment Management Group Co., Ltd. for the acquisition of equity in a securities company during the period.

2) Disclosure of other receivables by bad debt provision method

Type	Closing balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Expected credit loss (%)
Other receivables for which bad debt provision is made on an individual basis	2,764,386,158.66	16.17	1,908,126,787.21	69.03
Other receivables for which bad debt provision is made based on a combination of credit risk characteristics	14,330,589,479.33	83.83	2,100,347,063.54	14.66
Total	17,094,975,637.99	—	4,008,473,850.75	23.45

(Continued)

Type	Opening balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Expected credit loss (%)
Other receivables for which bad debt provision is made on an individual basis	2,441,775,118.99	19.61	1,664,420,973.97	68.16
Other receivables for which bad debt provision is made based on a combination of credit risk characteristics	10,006,791,838.82	80.39	2,308,836,372.33	23.07
Total	12,448,566,957.81	—	3,973,257,346.30	31.92

Other receivables for which provision for bad debts was made on an individual basis at the end of the period

Name of debtor	Book balance	Provision for bad debts	Expected credit loss	Accrual reason
Yulong Group Co., Ltd.	604,400,000.00	62,608,695.65	10.00%	Measured on the basis of the impairment model
Yangtse Motor Group Co., Ltd.	348,782,676.11	306,011,967.50	88.00%	Measured on the basis of the impairment model
Xianfeng Village Committee in East Lake Scenic Area	78,099,179.61	30,580,937.99	39.00%	Long aging
Wuhan Zhuofeng Construction Group Co., Ltd.	53,197,708.00	53,197,708.00	100.00%	Not expected to be recovered

Name of debtor	Book balance	Provision for bad debts	Expected credit loss	Accrual reason
East Lake Industrial Investment Fund Management Co., Ltd.	51,640,000.00	15,492,000.00	30.00%	Measured on the basis of the impairment model
Hubei Jianglong Tourism Development Co., Ltd.	48,000,000.00	9,600,000.00	20.00%	Long aging
Shandong Yixing Electric AUTO Co., Ltd.	41,395,683.16	12,418,704.95	30.00%	Measured on the basis of the impairment model
Fangxing No. 322 Jurong Chishan Lake PPP Pooled Fund Trust Scheme	40,804,680.95	40,804,680.95	100.00%	Not expected to be recovered
Donghu New Energy Automobile Co., Ltd.	40,242,204.95	12,072,661.48	30.00%	Measured on the basis of the impairment model
Dongxing No. 9 Tianxia Real Estate Nanhui Driving School Project Pooled Fund Trust Scheme	33,103,492.83	33,103,492.83	100.00%	Not expected to be recovered
Jiangxi Eurasia Automobile Service Co., Ltd.	27,683,235.00	27,683,235.00	100.00%	Not expected to be recovered
Hubei Xinlu Guangmao Development Co., Ltd.	27,018,449.09	27,018,449.09	100.00%	Not expected to be recovered
Henan Hongyang Group Trust Loan Pooled Fund Trust Scheme	24,533,700.20	24,533,700.20	100.00%	Not expected to be recovered
Lu Zhihu	22,811,251.00	4,562,250.20	20.00%	Long aging
Huangpi District People's Government (TCL)	15,000,000.00	15,000,000.00	100.00%	Over 5 years
Wuhan Lihehua Economic & Trade Development Co., Ltd.	13,500,000.00	13,500,000.00	100.00%	Not expected to be recovered
Others	6,555,936.57	5,775,715.59	88.10%	Not expected to be recovered in full
Wuhan Harbor Affairs Group Co., Ltd.	5,600,000.00	5,600,000.00	100.00%	Measured on the basis of the impairment model
Zhengxing Phase II Pooled Fund Trust Scheme	2,215,674.00	2,215,674.00	100.00%	Not expected to be recovered
Zhou Kexian	1,846,146.56	1,846,146.56	100.00%	Not expected to be recovered
Summary of individual amounts for Trading Holding Company	1,277,956,140.63	1,204,500,767.22	94.25%	Not expected to be recovered
Total	2,764,386,158.66	1,908,126,787.21		

Other receivables for which bad debt provision is made based on a combination of credit risk characteristics

Name of portfolio	Closing balance		
	Book balance	Accrual Ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	7,182,584,859.75	29.24	2,100,347,063.54
Portfolio 2 Low-risk portfolio	7,148,004,619.58		
Total	14,330,589,479.33	—	2,100,347,063.54

(Continued)

Name of portfolio	Opening balance		
	Book balance	Accrual Ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	4,661,395,014.22	49.53	2,308,836,372.33
Portfolio 2 Low-risk portfolio	5,345,396,824.60		
Total	10,006,791,838.82	—	2,308,836,372.33

3) Provision for bad debts on other receivables

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) for the entire duration	Expected credit losses (credit impairment has occurred) throughout the entire duration	
Opening balance	42,412,580.37	3,209,561.31	3,927,635,204.62	3,973,257,346.30
Opening balance in current period				
- Transferred to stage 2				
- Transferred to Stage 3				
- Transferred back to Stage 2				
- Transferred back to stage 1				
Accrual during the period	21,864,325.38	764,296.30	35,708,888.74	58,337,510.42
Reversal during the period	2,997,055.61	1,409,561.31	62,647,957.70	67,054,574.62
Charge-offs during the period	31,289.22		234,542,581.46	234,573,870.68
Current write-offs	12.60			12.60
Other changes	-1,394,173.48		279,901,625.41	278,507,451.93
Closing balance	59,854,374.84	2,564,296.30	3,946,055,179.61	4,008,473,850.75

Note: 1. The other changes in the Stage 1 resulted from the sale of debts of Wuhan Hairun Real Estate Development Co., Ltd. held by Wuhan Xinnongda Network Service Co., Ltd., a subsidiary of the Trading Holding Company.

2. The other changes in the Stage 3 mainly arose from the debt restructuring of Wuhan Jinkong NEV Leasing Co., Ltd. (hereinafter referred to as Jinkong NEV). According to the offsetting agreement between Jinkong NEV and Xinyixing Electric Vehicle (Wuhan) Co., Ltd. (hereinafter referred to as Xinyixing Vehicle) and the civil ruling of the DongXiHu District People's Court, the claim due from Xinyixing Vehicle to Yangtze MOTOR Group Co., Ltd. (hereinafter referred to as Yangtze Company) was changed to a claim due from Yangtze Company by Jinkong NEV, and the claim due from Xinyixing Vehicle by Jinkong NEV was offset by 10% of the amount of the claim, and Xinyixing Vehicle had transferred its owned Yangzijiang

Company's bankruptcy claim of RMB 309,320,471.11 was assigned to Jinkong NEV, and Jinkong NEV and Xinyixing Vehicle agreed that the claim would be valued at RMB 30,932,047.11 against the claim it owed to Jinkong NEV, and an impairment provision of RMB278,388,424.00 was made.

4) Actual write-off of other receivables during the year

Name of debtor	Nature of other receivables	Write-off amount	Reason for write-off	Write-off procedures performed	Whether arising from related transactions
Wuhan GREAT&GREEN Trade Co., Ltd.	Borrowing	123,372.85	The Company's own share of costs	Report to relevant authorities for approval	No
Total	—	123,372.85	—	—	—

5) Top five other receivables with closing balances, grouped by party in arrears

Name of debtor	Nature of payment	Closing balance	As a percentage of the total closing balance of other receivables (%)	Provision for bad debts
Tongchuangjiuding Investment Management Group Co., Ltd.	Equity transfer payments	2,835,360,000.00	16.59	
Wuxin Investment Holding (Shenzhen) Co., Ltd.	External transactions	1,896,305,674.79	11.09	1,495,154,386.40
Wuhan STATE-OWNED Assets Management Limited Company	Related party transactions	799,227,790.00	4.68	
Yulong Group Co., Ltd.	External transactions	604,400,000.00	3.54	62,608,695.65
Wuhan Shanglian (Group) Co., Ltd.	Related party transactions	531,036,300.00	3.11	
Total	—	6,666,329,764.79	39.01	1,557,763,082.05

8. Inventories

Name of portfolio	Closing balance		
	Book balance	Provision for the decline in value	Book value
Raw materials	226,608,240.49	5,308,195.44	221,300,045.05
Home-made semi-finished products and in-process products	5,237,826,455.95	131,894,972.54	5,105,931,483.41
Including: Development costs	5,131,501,709.87	120,337,502.63	5,011,164,207.24
Goods in stock (finished goods)	8,954,246,850.05	524,686,272.85	8,429,560,577.20
Including: Development products	2,346,475,035.69	469,675,904.11	1,876,799,131.58
Working capital materials (packaging, low-value consumables)	5,873,484.68	1,413,716.14	4,459,768.54
Contract performance costs	183,962.25		183,962.25

Name of portfolio	Closing balance		
	Book balance	Provision for the decline in value	Book value
Others	73,032,100.68	14,987,737.21	58,044,363.47
Total	14,497,771,094.10	678,290,894.18	13,819,480,199.92

(Continued)

Name of portfolio	Opening balance		
	Book balance	Provision for the decline in value	Book value
Raw materials	190,433,092.87	2,441,494.90	187,991,597.97
Home-made semi-finished products and in-process products	4,863,195,409.23	128,989,698.77	4,734,205,710.46
Including: Development costs	4,771,271,501.35	120,337,502.63	4,650,933,998.72
Goods in stock (finished goods)	7,894,605,990.50	471,183,665.08	7,423,422,325.42
Including: Development products	2,359,247,974.87	441,382,687.78	1,917,865,287.09
Working capital materials (packaging, low-value consumables)	5,831,582.70	1,274,961.10	4,556,621.60
Contract performance costs	183,962.25		183,962.25
Others	223,132,684.28	6,817,233.78	216,315,450.50
Total	13,177,382,721.83	610,707,053.63	12,566,675,668.20

Note: 1. Provision for fall in value of raw materials is the provision for fall in value of Hangjin Technology, a subsidiary of the Company.

2. The closing balance of development products represents the inventory balance of three companies, namely Handan Faxing Real Estate Development Co., Ltd., Dalian Chengfa Real Estate Co., Ltd. and Shenyang Xingshi Real Estate Development Co., Ltd.

The net realizable value of inventories at the end of the period was determined by reference to the valuation reports Wuhan CITIC United Report Zi [2023]SC No. 042601, Wuhan CITIC United Report Zi [2023]SC No. 042602 and Wuhan CITIC United Report Zi [2023]SC No. 042603 issued by Wuhan CITIC United Assets Appraisal Co., Ltd.

9. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivables due within one year	17,791,444,471.44	16,150,031,305.56
Total	17,791,444,471.44	16,150,031,305.56

Finance lease receivables due within one year are as follows

Item	Closing balance	Opening balance
Finance lease receivables	17,791,444,471.44	16,150,031,305.56
Total	17,791,444,471.44	16,150,031,305.56

10. Other current assets

Item	Closing balance	Opening balance
Input VAT to be deducted	288,415,181.73	413,956,151.95
Prepaid tax	106,869,707.04	79,055,869.18
Carbon emission rights assets		877,083.81
Input VAT to be certified	29,597,479.30	9,969,035.66
Debt investments and non-Performing assets package business acquired	26,692,642,829.12	25,798,480,603.65
Buying back the sale of financial assets	779,429,589.03	1,329,828,871.22
Lending to banks and other financial institutions	990,146,287.49	1,276,872,027.05
Debt assets	46,961,705.33	29,243,612.81
Entrusted loan	60,000,000.00	60,000,000.00
Others	44,490,985.82	21,940,325.92
Total	29,038,553,764.86	29,020,223,581.25

11. Debt investments

Item	Closing balance		
	Book balance	Provision for impairment	Book value
Microloans	2,079,369,066.91	440,148,429.79	1,639,220,637.12
Targeted debt investments	4,654,194,126.13	22,474,964.95	4,631,719,161.18
Investment trust projects	2,122,555,159.49	586,183,082.41	1,536,372,077.08
Entrusted loan	273,422,484.42	18,506,794.61	254,915,689.81
Total	9,129,540,836.95	1,067,313,271.76	8,062,227,565.19

(Continued)

Item	Opening balance		
	Book balance	Provision for impairment	Book value
Microloans	1,671,739,770.33	426,331,286.31	1,245,408,484.02
Targeted debt investments	5,227,357,958.24	58,730,926.33	5,168,627,031.91
Trust scheme	1,992,404,397.72	821,675,998.00	1,170,728,399.72
Entrusted loan	22,672,484.42	14,928,700.10	7,743,784.32
Total	8,914,174,610.71	1,321,666,910.74	7,592,507,699.97

12. Other debt investments

(1) Details of other debt investments

Item	Closing balance	Opening balance
Cost of debt instruments	715,185,916.31	720,185,916.31
Amount of accumulated changes in fair value included in other		-19,643.95

Item	Closing balance	Opening balance
comprehensive income		
Fair value	715,185,916.31	720,166,272.36
Less: Amount of provision for impairment		
Total	715,185,916.31	720,166,272.36

13. Long-term receivables

Item	Closing balance		
	Book balance	Provision for bad debts	Book value
Financial lease	30,606,708,540.14	1,279,158,717.26	29,327,549,822.88
Including: Unrealized financing gain	4,996,350,962.23		4,996,350,962.23
Sales of goods by installments	323,075,718.49	3,176,950.11	319,898,768.38
Total	30,929,784,258.63	1,282,335,667.37	29,647,448,591.26

(Continued)

Item	Opening balance		
	Book balance	Provision for bad debts	Book value
Financial lease	24,003,847,091.43	1,047,420,499.94	22,956,426,591.49
Including: Unrealized financing gain	68,824,950.43		68,824,950.43
Sales of goods by installments	424,287,099.46	569,765.11	423,717,334.35
Total	24,428,134,190.89	1,047,990,265.05	23,380,143,925.84

Note: Sales of goods by installments are new energy vehicles sold in installments.

14. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Investments in subsidiaries				
Investments in joint ventures				
Investments in associates	9,722,261,024.66	523,224,572.98	121,295,232.20	10,124,190,365.44
Subtotal	9,722,261,024.66	523,224,572.98	121,295,232.20	10,124,190,365.44
Less: Provision for impairment of long-term investments	14,724,596.47			14,724,596.47
Total	9,707,536,428.19	523,224,572.98	121,295,232.20	10,109,465,768.97

(2) Details of long-term equity investments

Investees	Investment costs	Opening balance	Change for the period							Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment		
Associates											
China Eastern Airlines Wuhan Co., Ltd.	7,117,503,671.06	9,722,261,024.66	96,780,832.14	4,080,115.68	340,665,891.26	-4,232,671.48	90,010,521.06	117,215,116.52		10,124,190,365.44	14,724,596.47
Hankou Bank Co., Ltd.	847,409,126.97	617,890,755.71			-252,177,450.76	-5,118,429.04				360,594,875.91	
Wuhan Yangtze Communications Industry Group Co., Ltd.	1,893,359,536.00	5,237,405,430.19			328,708,208.71	1,032,525.95	82,932,656.90	80,954,499.90		5,569,124,321.85	
Wuhan Yangtze LED Lighting Technology Co., Ltd.	141,189,096.04	285,573,352.27			20,939,874.96	-145,209.21	3,908,009.37	1,215,070.90		309,060,956.49	-
Y.U.D. Yangtze River Investment Industry Co., Ltd.	50,000,000.00	25,256,566.90			-371,190.04					24,885,376.86	
Hangzhou Guangyao Zhixin Zhongyuan Equity Investment Partnership (Limited Partnership)	40,513,786.08	46,358,360.81			-2,800,860.17	-1,559.18	8,462.36			43,564,403.82	
Liaoning Jinhua Mingyuan Environmental Protection Technology Co., Ltd.	30,525,921.00		30,525,921.00							30,525,921.00	
Qianlima Investment Co., Ltd.											
Shanghai Xinwen Microelectronics Co., Ltd.	3,300,000.00	2,736,778.28			-191,698.92					2,545,079.36	
Wuhan Beidou Industrial Innovation Center Co., Ltd.	1,969,972.80	1,437,496.65								1,437,496.65	
	2,500,000.00	4,159,811.24		2,280,115.68	-1,879,695.56						
	6,626,559.86	4,084,214.20			-1,772,623.11		738,968.72			3,050,559.81	

Investees	Investment costs	Opening balance	Change for the period							Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others	
Wuhan Beidou Zhenjie Technology Co., Ltd.	272,449.61	207,543.28			-47,828.91						159,714.37
Wuhan High-tech Thermal Power Co., Ltd.	50,881,373.16										
Wuhan Kaicheng Mining Investment Co., Ltd.	4,800,000.00										
Wuhan Kaidaxin Equity Investment Management Co., Ltd.	2,000,000.00	2,153,724.20			46,625.43						2,200,349.63
Wuhan Mengxin Technology Co., Ltd.	3,727,964.59	17,820,847.75			-1,548,410.32		2,918,527.78				19,190,965.21
Wuhan Rural Commercial Bank Co., Ltd.	2,628,615,406.40	2,566,364,516.45	66,254,911.14		143,214,849.55						2,775,834,277.14
Wuhan Xingang Jiangbei Railway Co., Ltd.		46,142,582.54									46,142,582.54
Wuhan Credit Zesen Smart City Industry Co., Ltd.	1,500,000.00	951,150.26			-9,195.34						941,954.92
Wuhan Yijing Jiangnan Real Estate Co., Ltd.	19,600,000.00	59,176,039.65			6,025.08						59,182,064.73
Wuhan Zhongxing Beidou Communication Technology Co., Ltd.	358,486.32	257,905.09			-100,414.79		160,997.37				318,487.67
Wuxin Investment Holding (Shenzhen) Co., Ltd.	800,000,000.00				112,643,835.62						112,643,835.62
Cnostar Technology Co., Ltd.	4,157,448.06	3,870,599.19			20,668.44		-657,101.44				3,234,166.19
Wuhan Economic and	40,000,000.00	37,146,474.38			18,304.88						37,164,779.26

Investees	Investment costs	Opening balance	Change for the period								Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others	
Technological Development Zone Industrial Investment Zhizheng Small Loan Co., Ltd.											
Wuhan Industrial Investment Asset Management Co., Ltd.	1,000,000.00	1,963,152.28			173,781.45						2,136,933.73
Wuhan Boqi Decorative Fabric Co., Ltd.	13,200,000.00	37,679,172.96			12,437,799.98			6,600,000.00			43,516,972.94
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	42,000,000.00	48,535,358.20			6,187,700.19						54,723,058.39
Wuhan Huitong Logistics Network Co., Ltd.	1,260,000.00	899,643.88			-8,253.93						891,389.95
Wuhan Wisdom Green Valley Technology Co., Ltd.	52,500,000.00	52,500,000.00									52,500,000.00
Wuhan Xingjiali Investment Management Co., Ltd.	300,000.00	306,984.29			-443.35						306,540.94
Wuhan Logistics Information Development Co., Ltd.	980,000.00	124,596.47									124,596.47
Wuhan Jiang'an District Changfa Chengxin Microfinance Co., Ltd.	60,000,000.00	64,937,336.83			-1,991,860.16						62,945,476.67
Wuhan Jinxin Rongwei Financial Outsourcing Service Co., Ltd.	4,800,000.00	3,393,322.00			112,937.91						3,506,259.91
Changsha Xintiandi Financial Service Technology Co., Ltd.	2,500,000.00	5,184,831.30			1,937,597.28			1,250,000.00			5,872,428.58
Wuhan New Power Fuel Co., Ltd.	2,156,800.00	4,034,994.08			741,721.21			586,045.72			4,190,669.57

Investees	Investment costs	Opening balance	Change for the period							Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment		
Wuhan Jundian Real Estate Co., Ltd.	18,784,000.00	16,971,004.22			326,614.94					17,297,619.16	
Wuhan Chengtong Logistics Co., Ltd.	19,907,511.55	14,065,115.60			1,473,386.69					15,538,502.29	
Hubei Shijinghui Commercial Management Co., Ltd.	16,000,000.00	16,674,002.01			-1,980,140.54					14,693,861.47	
Wuhan Shitong Logistics Co., Ltd.	12,612,090.90	48,980,434.77			8,260,150.12			9,696,000.00		47,544,584.89	
Wuhan Changlian Laifu Pharmaceutical Co., Ltd.	42,403,340.00	89,594,589.50			2,701,912.97					92,296,502.47	
Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd.	171,492,801.72	142,330,681.27			-43,860,471.19					98,470,210.08	
Wuhan Daoguanhe Scenic Park Co., Ltd.	200,000.00	200,000.00								200,000.00	200,000.00
Wuhan Haibo Energy Co., Ltd.	32,400,000.00	32,400,000.00								32,400,000.00	
Wuhan MasterCard Business Co., Ltd.	1,800,000.00	1,800,000.00		1,800,000.00							
Wuhan Zhongzhi Hanyang Real Estate Development Co., Ltd.	16,000,000.00	16,000,000.00								16,000,000.00	14,400,000.00
Wuhan Zhengda Logistics Co., Ltd.	18,334,800.00	93,686,016.11			10,728,687.56			16,913,500.00		87,501,203.67	
Wuhan Zhengkai Logistics Co., Ltd.	8,525,200.00	65,029,029.00			-809,261.00					64,219,768.00	
Wuhan Sha'ou Food Marketing Co., Ltd.		2,734,119.03			-140,023.31					2,594,095.72	
Chongqing Xiangfu Shengwei	5,040,000.00	3,242,491.82			-324,970.31					2,917,521.51	

Investees	Investment costs	Opening balance	Change for the period							Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment		
Industrial Co., Ltd.											
Total	7,117,503,671.06	9,722,261,024.66	96,780,832.14	4,080,115.68	340,665,891.26	-4,232,671.48	90,010,521.06	117,215,116.52		10,124,190,365.44	14,724,596.47

15. Investments in other equity instruments

Item	Closing balance	Opening balance
Equity in National Integrated Circuit Industry Investment Fund Co., Ltd.	5,000,000,000.00	5,000,000,000.00
Equity in Tianfeng Securities Co., Ltd.	561,369,193.14	792,176,039.10
Equity in Wuhan Circular Economy Industry Investment Fund (Limited Partnership)	450,000,000.00	450,000,000.00
Equity in Foshan Poly Defense Equity Investment Partnership (Limited Partnership)	50,000,000.00	50,000,000.00
Equity in East Lake Industrial Investment Fund Management Co., Ltd.	30,600,000.00	30,600,000.00
Equity in Wuhan International Conference & Exhibition Center Co., Ltd.	30,000,000.00	30,000,000.00
Equity in Jin'ao Guoyuan (Wuhan) Petrochemical Co., Ltd.	16,500,000.00	16,500,000.00
Equity in Suzhou Zesen Huiyong Venture Capital Partnership (Limited Partnership)	15,000,000.00	
Equity in Wuhan City Industry Investment Group Co., Ltd.	14,000,000.00	14,000,000.00
Equity in Bank of Communications Co., Ltd.	6,072,698.40	5,906,147.60
Equity in East Lake Industrial Investment Fund Management Co., Ltd.	5,400,000.00	5,400,000.00
Equity in Wuhan Xianglong Power Industry (Group) Co., Ltd.	5,330,000.00	4,082,000.00
Equity in Wuhan Haier Electric Appliance Co., Ltd.	4,930,376.50	4,930,376.50
Equity in Wuhan Ligong Guangke Co., Ltd.	2,914,230.05	2,850,656.90
Equity in Rongwei Weiye (Wuhan) Information Technology Co., Ltd.	2,595,925.98	2,930,867.42
Equity in Hubei Radio & Television Information Network Co., Ltd.	1,831,200.00	1,755,600.00
Equity in Guilin Wuzhou Tourism Co., Ltd.	1,000,000.00	990,000.00
Equity in Wuhan Steel and Power Co., Ltd.	745,200.00	745,200.00
Equity in Wuhan Yude Century Consulting Co., Ltd.	81,250.00	81,250.00
Wuhan Changxin Logistics Development Co., Ltd.	2,667,152.43	2,667,152.43
Hubei Jiupai Venture Capital Co., Ltd.	1,953,908.72	9,007,567.32
Wuhan Jiupai Investment Management Co., Ltd.	60,000.00	80,000.00
Wuhan Jinxin Investment Co., Ltd.	8,000.00	8,000.00
Wuhan Chengtong Logistics Co., Ltd.	4,950,000.00	4,950,000.00
Wuhan Optical Valley Agricultural Products Trading Market Co., Ltd.	2,500,000.00	2,500,000.00
Wuhan MasterCard Business Co., Ltd.		200,000.00
Wuhan Cold Control Equity Investment Fund Partnership (Limited Partnership)	238,985,672.10	200,000,000.00
Yibin Wushang Equity Investment Fund (Limited Partnership)	40,000,000.00	40,000,000.00
Guotai Junan Asset Management Plan		9,336,000.00
Others	10,461,500.00	77,511,500.00
Total	6,499,956,307.32	6,759,208,357.27

16. Other non-current financial assets

Item	Closing fair value	Opening fair value
Wuhan Department Store Group Co., Ltd.	147,821,665.60	138,714,795.13
Wuhan Fenghuo Technology Co., Ltd.	408,399,857.38	456,606,799.93
Hubei United Development Investment Group Co., Ltd.	1,801,886,244.67	1,532,690,822.59
Yangtze River Economy United Development (Group) Co., Ltd.	26,476,865.05	28,524,786.64
Wuhan Optics Valley Financial Lease Co., Ltd.	15,033,073.60	17,380,237.19
Wuhan Culture Investment Development Group Co., Ltd.	20,000,000.00	20,000,000.00
Wuhan Wu Tong Yuan Industrial Development Co., Ltd.	5,637,225.24	5,637,225.24
Wuhan Hewan Yusheng Industrial Development Co., Ltd.	4,004,283.14	4,004,283.14
Wuhan Bizhouyuan Industrial Development Co., Ltd.	3,195,243.69	3,195,243.69
Wuhan Shengxin Industrial Development Co., Ltd.	3,156,254.78	3,156,254.78
Wuhan Jingshengli Industrial Development Co., Ltd.	53,902.45	53,902.45
China Coal Energy Company Limited	370,660.00	270,470.00
Beijing Langyan Life Technology Holding Co., Ltd.	12,937,903.46	12,824,951.76
Beijing Sun-Novo Pharmaceutical Research Co., Ltd.	223,995,904.00	265,995,136.00
Guangxi Dibo Mining Industry Group Co., Ltd.	17,280,000.00	17,280,000.00
Hankou Bank Co., Ltd.	124,160,000.00	124,160,000.00
Hubei Financing Guarantee Group Co., Ltd.		10,000,000.00
Huaneng Wuhan Power Generation Co., Ltd.	808,685,700.29	810,164,259.76
Wuhan Fiberhome Singularity Investment Fund (Limited Partnership)	27,072,946.95	32,330,942.49
Wuhan Steel and Power Co., Ltd.	14,994,479.81	14,994,479.81
Wuhan Optical Valley HUAFA Investment Fund Co., Ltd.		1,287,280.96
Wuhan Hongjing Equity Investment Partnership (Limited Partnership)	8,898,802.55	11,448,800.00
Wuhan Kaidaxin Equity Investment Management Co., Ltd.	2,153,400.00	2,153,400.00
Wuhan Credit Real Estate Co., Ltd.	24,000,000.00	24,000,000.00
Wuhan Zhengxuanjie Investment Partnership (Limited Partnership)	98,641,250.00	98,641,250.00
Zhongbai Holdings Group Co., Ltd.	964,047.00	793,083.00
China Construction Bank Corporation	1,957,832.50	2,037,815.00
PetroChina Company Limited	462,210.00	456,630.00
Xiantao Taihong Real Estate Co., Ltd.	200,000.00	
Total	3,802,439,752.16	3,638,802,849.56

17. Investment properties

Investment properties measured at fair value

Item	Opening fair value	Increase in current period		
		Acquisition	Transfer from owner-occupied properties or inventories	Gains and losses on changes in fair value
Total cost	1,216,058,950.59	64,533,663.90	1,499,339,515.04	
1. Houses and buildings	1,130,244,668.59	64,533,663.90	1,393,514,401.85	
2. Land use rights	85,814,282.00		105,825,113.19	
3. Others				
Total fair value changes	-18,144,123.26		697,846,597.27	49,898,210.69
1. Houses and buildings	-16,289,511.26		696,387,245.05	52,117,432.69
2. Land use rights	-1,854,612.00		1,459,352.22	-2,219,222.00
3. Others				
Total book value	1,197,914,827.33	64,533,663.90	2,197,186,112.31	49,898,210.69
1. Houses and buildings	1,113,955,157.33	64,533,663.90	2,089,901,646.90	52,117,432.69
2. Land use rights	83,959,670.00		107,284,465.41	-2,219,222.00
3. Others				

(Continued)

Item	Decrease in current period		Closing fair value
	Disposal	Conversion to owner-occupied properties	
Total cost			2,779,932,129.53
1. Houses and buildings			2,588,292,734.34
2. Land use rights			191,639,395.19
3. Others			
Total fair value changes			729,600,684.70
1. Houses and buildings			732,215,166.48
2. Land use rights			-2,614,481.78
3. Others			
Total book value			3,509,532,814.23
1. Houses and buildings			3,320,507,900.82
2. Land use rights			189,024,913.41
3. Others			

18. Fixed assets

Item	Closing balance	Opening balance
Fixed assets	4,387,177,206.15	4,881,380,159.32
Liquidation of fixed assets	616,815.38	270,673.44
Total	4,387,794,021.53	4,881,650,832.76

(1) Details of fixed assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Total original book value	9,938,804,837.97	263,643,700.67	371,763,677.14	9,830,684,861.50
Including: Land assets				
Houses and buildings	5,015,726,583.74	96,171,759.53	224,358,414.57	4,887,539,928.70
Machinery and equipment	2,846,054,150.12	110,961,350.60	104,416,035.48	2,852,599,465.24
Transportation equipment	1,720,789,965.78	41,504,702.34	31,596,432.22	1,730,698,235.90
Electronic equipment	240,293,319.31	12,620,211.02	2,817,260.72	250,096,269.61
Office equipment	58,719,363.28	2,137,022.77	4,689,917.03	56,166,469.02
Furniture for the hospitality industry	199,345.45	28,574.34	86,387.62	141,532.17
Others	57,022,110.29	220,080.07	3,799,229.50	53,442,960.86
Total accumulated depreciation	4,993,231,349.17	529,724,043.69	140,754,015.30	5,382,201,377.56
Including: Land assets				
Houses and buildings	1,509,160,491.85	178,849,671.25	35,028,460.16	1,652,981,702.94
Machinery and equipment	2,141,428,565.32	117,358,287.97	72,896,955.19	2,185,889,898.10
Transportation equipment	1,065,961,749.71	211,475,032.93	23,179,722.56	1,254,257,060.08
Electronic equipment	187,788,949.54	13,947,465.28	2,417,743.34	199,318,671.48
Office equipment	44,101,552.53	4,222,694.49	3,168,831.49	45,155,415.53
Furniture for the hospitality industry	25,558.79	26,064.19	5,471.20	46,151.78
Others	44,764,481.43	3,844,827.58	4,056,831.36	44,552,477.65
Total net value of fixed assets	4,945,573,488.80	—	—	4,448,483,483.94
Including: Land assets		—	—	
Houses and buildings	3,506,566,091.89	—	—	3,234,558,225.76
Machinery and equipment	704,625,584.80	—	—	666,709,567.14
Transportation equipment	654,828,216.07	—	—	476,441,175.82
Electronic equipment	52,504,369.77	—	—	50,777,598.13
Office equipment	14,617,810.75	—	—	11,011,053.49
Furniture for the hospitality industry	173,786.66	—	—	95,380.39
Others	12,257,628.86	—	—	8,890,483.21
Total impairment of fixed assets	64,193,329.48	813,634.02	3,700,685.71	61,306,277.79
Including: Land assets				
Houses and buildings	31,102,126.28	792,068.00		31,894,194.28

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Machinery and equipment	30,353,604.42		3,700,685.71	26,652,918.71
Transportation equipment	2,352,557.96			2,352,557.96
Electronic equipment	385,040.82	21,566.02		406,606.84
Office equipment				
Furniture for the hospitality industry				
Others				
Total book value of fixed assets	4,881,380,159.32	—	—	4,387,177,206.15
Including: Land assets		—	—	
Houses and buildings	3,475,463,965.61	—	—	3,202,664,031.48
Machinery and equipment	674,271,980.38	—	—	640,056,648.43
Transportation equipment	652,475,658.11	—	—	474,088,617.86
Electronic equipment	52,119,328.95	—	—	50,370,991.29
Office equipment	14,617,810.75	—	—	11,011,053.49
Furniture for the hospitality industry	173,786.66	—	—	95,380.39
Others	12,257,628.86	—	—	8,890,483.21

(2) Liquidation of fixed assets

Item	Closing book value	Opening book value	Reasons for liquidation
Assets to be scrapped		324.00	
Houses and buildings	452,473.52	108,042.77	Demolition and relocation
Machinery and equipment	163,048.07	162,117.67	Demolition and relocation
Electronic equipment	1,293.79	189.00	Demolition and relocation
Total	616,815.38	270,673.44	

19. Construction in progress

(1) Details of construction in progress

Item	Closing balance		
	Book balance	Impairment provision	Book value
National Grain Modern Logistics (Wuhan) Base	1,542,259,697.24		1,542,259,697.24
Wuhan Xingang Central China Trade Service Zone	515,742,927.72		515,742,927.72
Hotel decoration and renovation project	158,634,957.49		158,634,957.49
Yangluo Grain Logistics Emergency Security Base	115,625,909.83		115,625,909.83
Fruit market project	119,392,237.90		119,392,237.90
Longyuehua warehouse and logistics construction project	73,566,305.13		73,566,305.13
Hai'an Cold Storage (Phase I Cold Storage and Exhibition Center)	35,105,364.45		35,105,364.45

Item	Closing balance		
	Book balance	Impairment provision	Book value
Central China Cold Chain Port Phase II Project of Wuhan Wandun	29,379,947.77		29,379,947.77
Others	144,212,985.89	6,490,797.83	137,722,188.06
Engineering materials	9,153.27		9,153.27
Total	2,733,929,486.69	6,490,797.83	2,727,438,688.86

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
National Grain Modern Logistics (Wuhan) Base	900,103,113.69		900,103,113.69
Wuhan Xingang Central China Trade Service Zone	1,308,385,774.44		1,308,385,774.44
Hotel decoration and renovation project	134,222,327.98		134,222,327.98
Yangluo Grain Logistics Emergency Security Base	6,271,292.18		6,271,292.18
Fruit market project	27,297,841.13		27,297,841.13
Longyuehua warehouse and logistics construction project	61,587,046.77		61,587,046.77
Hai'an Cold Storage (Phase I Cold Storage and Exhibition Center)	25,378,020.37		25,378,020.37
Central China Cold Chain Port Phase II Project of Wuhan Wandun	1,464,770.38		1,464,770.38
Others	113,971,558.20	6,490,797.83	107,480,760.37
Engineering materials	286,409.82		286,409.82
Total	2,578,968,154.96	6,490,797.83	2,572,477,357.13

Note: Construction in progress - Others are mainly sporadic engineering projects.

(2) Changes in significant construction in progress during the period

Project name	Budget	Opening balance	Increase in current period
National Grain Modern Logistics (Wuhan) Base	5,895,770,000.00	900,103,113.69	694,680,372.97
Wuhan Xingang Central China Trade Service Zone	2,080,000,000.00	1,308,385,774.44	427,846,976.79
Hotel decoration and renovation project	160,141,273.20	134,222,327.98	24,412,629.51
Yangluo Grain Logistics Emergency Security Base	379,670,000.00	6,271,292.18	109,354,617.65
Total	8,515,581,273.20	2,348,982,508.29	1,256,294,596.92

(Continued 1)

Project name	Fixed assets transferred for the period	Other decreases in current period	Closing balance
National Grain Modern Logistics (Wuhan) Base	52,523,789.42		1,542,259,697.24
Wuhan Xingang Central China Trade Service Zone		1,220,489,823.51	515,742,927.72
Hotel decoration and renovation project			158,634,957.49
Yangluo Grain Logistics Emergency Security Base			115,625,909.83
Total	52,523,789.42	1,220,489,823.51	2,332,263,492.28

(Continued 2)

Project name	Proportion of cumulative project investment to the budget (%)	Progress of works (%)	Accumulated amount of interest capitalization
National Grain Modern Logistics (Wuhan) Base	27.05	27.05	391,664,320.56
Wuhan Xingang Central China Trade Service Zone	85.30	85.30	413,289,413.52
Hotel decoration and renovation project	99.06	99.06	
Yangluo Grain Logistics Emergency Security Base	30.45	30.45	2,287,647.21
Total			807,241,381.29

(Continued 3)

Project name	Including: Amount of interest capitalized during the period	Capitalization rate of interest for the period (%)	Sources of funding
National Grain Modern Logistics (Wuhan) Base	78,002,300.71	4.44	Self-financing, borrowing
Wuhan Xingang Central China Trade Service Zone	92,600,769.22	6.18	Borrowing
Hotel decoration and renovation project			
Yangluo Grain Logistics Emergency Security Base	2,287,647.21	4.30	Self-financing, borrowing
Total	172,890,717.14		

(3) Engineering materials

Item	Closing balance	Opening balance
Charging piles		280,209.82
Charging guns		6,200.00
Others	9,153.27	
Total	9,153.27	286,409.82

20. Productive biological assets

Productive biological assets measured at cost

Item	Opening book value	Increase in current period	Decrease in current period	Closing book value
Animal husbandry	43,409.55		37,136.83	6,272.72
Including: Security dog	43,409.55		37,136.83	6,272.72
Forestry	947,598.97		164,799.82	782,799.15
Including: Camphor trees, Osmanthus fragrans, Metasequoia glyptostroboides and other seedlings	947,598.97		164,799.82	782,799.15
Total	991,008.52		201,936.65	789,071.87

21. Right-of-use assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Total original book value	124,833,373.07	21,178,697.57	9,961,500.42	136,050,570.22
Including: Land	14,279,089.38			14,279,089.38
Houses and buildings	110,554,283.69	21,178,697.57	9,961,500.42	121,771,480.84
Total accumulated depreciation	26,244,700.92	27,111,615.52	87,706.08	53,268,610.36
Including: Land	1,359,913.27	1,359,913.31		2,719,826.58
Houses and buildings	24,884,787.65	25,751,702.21	87,706.08	50,548,783.78
Total net book value	98,588,672.15	—	—	82,781,959.86
Including: Land	12,919,176.11	—	—	11,559,262.80
Houses and buildings	85,669,496.04	—	—	71,222,697.06
Total book value	98,588,672.15	—	—	82,781,959.86
Including: Land	12,919,176.11	—	—	11,559,262.80
Houses and buildings	85,669,496.04	—	—	71,222,697.06

22. Intangible assets

Classification of intangible assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Total original value	2,498,234,544.89	61,784,845.73	127,944,600.70	2,432,074,789.92
Including: Software	93,492,926.37	8,950,525.66		102,443,452.03
Land use rights	2,222,053,864.73	52,777,789.00	127,944,600.70	2,146,887,053.03
Patent rights	4,047,734.95	900.00		4,048,634.95
Non-patented technology	178,040,323.26			178,040,323.26
Trademark rights	597,895.58	55,631.07		653,526.65
Copyright	1,800.00			1,800.00
Total accumulated amortization	537,541,169.82	77,083,245.61	14,376,733.24	600,247,682.19

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Including: Software	50,866,889.40	15,133,306.57		66,000,195.97
Land use rights	387,813,958.37	49,254,496.90	14,376,733.24	422,691,722.03
Patent rights	3,712.87	5,025.46		8,738.33
Non-patented technology	98,386,585.32	12,675,650.13		111,062,235.45
Trademark rights	469,093.86	14,586.55		483,680.41
Copyright	930.00	180.00		1,110.00
Total accumulated amount of impairment provision	1,999,115.00			1,999,115.00
Including: Software				—
Land use rights				—
Patent rights	1,999,115.00			1,999,115.00
Non-patented technology				
Trademark rights				
Copyright				
Total book value	1,958,694,260.07	—	—	1,829,827,992.73
Including: Software	42,626,036.97	—	—	36,443,256.06
Land use rights	1,834,239,906.36	—	—	1,724,195,331.00
Patent rights	2,044,907.08	—	—	2,040,781.62
Non-patented technology	79,653,737.94	—	—	66,978,087.81
Trademark rights	128,801.72	—	—	169,846.24
Copyright	870.00	—	—	690.00

23. Development expenditures

Item	Opening balance	Increase in current period	
		Internal development expenditure	Others
High Accuracy GNSS Chips	39,014,578.33	509,390.44	
Neural Network Task Allocation System for Distributed Internet of Things	291,262.14		
GIS Research in Environmental Research in Wuhan	47,169.81		
Intelligent supply chain digital management platform		4,812,233.93	
Supply chain finance platform		679,611.65	
Total	39,353,010.28	6,001,236.02	

(Continued)

Item	Decrease in current period			Closing balance
	Recognized as intangible assets	Transfer to the current profit or loss	Others	
High Accuracy GNSS Chips				39,523,968.77
Neural Network Task Allocation System for				291,262.14

Item	Decrease in current period			Closing balance
	Recognized as intangible assets	Transfer to the current profit or loss	Others	
Distributed Internet of Things				
GIS Research in Environmental Research in Wuhan				47,169.81
Intelligent supply chain digital management platform				4,812,233.93
Supply chain finance platform				679,611.65
Total				45,354,246.30

24. Goodwill

(1) Original book value of goodwill

Name of investee or matter forming goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Dalian Shengfa Real Estate Co., Ltd.	62,142,323.73			62,142,323.73	Note 1
Handan Faxing Real Estate Development Co., Ltd.	27,519,688.63			27,519,688.63	Note 1
Shenyang Xingshi Real Estate Development Co., Ltd.	67,039,398.92			67,039,398.92	Note 1
Hangjin Technology Co., Ltd.	2,226,499,414.49			2,226,499,414.49	Note 2
Jinzhou Jinhui Petroleum Chemical Storage and Transportation Co., Ltd.	43,544,342.29			43,544,342.29	Note 2
Changsha Shaoguang Semiconductor Co., Ltd.	47,442,596.09			47,442,596.09	Note 2
Weike Electronic Module (Shenzhen) Co., Ltd.	22,085,265.37			22,085,265.37	Note 2
Jiangsu Weike Electronics Co., Ltd.	50,121,216.32			50,121,216.32	Note 2
Weike Electronic Module (Shenzhen) Co., Ltd.	51,352,891.40			51,352,891.40	Note 3
Hunan Jiuqiang Xundun Information Technology Co., Ltd.	1,661,779.97			1,661,779.97	Note 3
Honglin Microelectronics (Kunshan) Co., Ltd.	1,074,986.99			1,074,986.99	Note 3
Chongqing Gaojun Trading Co., Ltd.	1,889,334.34			1,889,334.34	Note 4
Chongqing Diligence Trading Co., Ltd.	912,263.71			912,263.71	Note 5
Shenzhen Blue Penguin Non-Financing Guarantee Co., Ltd.	1,039,217.55			1,039,217.55	Note 6
Guotong Trust Co., Ltd.	2,945,687,630.04			2,945,687,630.04	Note 7
Wuhan Chengsheng Pawn Co., Ltd.	2,800,000.00			2,800,000.00	
Wuhan Finance Leasing Co., Ltd.	1,542,896.65			1,542,896.65	
Hubei Xiongying Hunting Clothes Sales Co., Ltd.		263,644.86		263,644.86	
Yangzhou Qinqin Wandun Cold Storage Logistics Co., Ltd.	2,552,856.70			2,552,856.70	
Wuhan Wandun Cold Storage Logistics Co., Ltd.	26,284,230.63			26,284,230.63	

Name of investee or matter forming goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Total	5,583,192,333.82	263,644.86		5,583,455,978.68	

(2) Goodwill impairment provision

Name of investee or matter forming goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Dalian Shengfa Real Estate Co., Ltd.	62,142,323.73			62,142,323.73	Note 1
Handan Faxing Real Estate Development Co., Ltd.	27,519,688.63			27,519,688.63	Note 1
Shenyang Xingshi Real Estate Development Co., Ltd.	67,039,398.92			67,039,398.92	Note 1
Weike Electronic Module (Shenzhen) Co., Ltd.	51,352,891.40			51,352,891.40	Note 3
Hunan Jiuqiang Xundun Information Technology Co., Ltd.	1,661,779.97			1,661,779.97	Note 3
Honglin Microelectronics (Kunshan) Co., Ltd.	1,074,986.99			1,074,986.99	Note 3
Shenzhen Blue Penguin Non-Financing Guarantee Co., Ltd.	1,039,217.55			1,039,217.55	Note 6
Total	211,830,287.19			211,830,287.19	

Note 1: On May 29th, 2020, Wuhan Credit Investment Group Co., Ltd, a subsidiary of the Group, entered into the *Equity and Debt Transfer Agreement* with Dalian Friendship (Group) Co., Ltd. According to the agreement, Dalian Friendship (Group) Co., Ltd. transferred the equity interests 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. and the claims on the above three companies to Wuhan Credit Investment Group, forming a business combination not under common control. The excess of the transaction consideration over the fair value of the net assets of the subject unit at the date of purchase amounted to RMB 156,701,411.28, which was included in goodwill. This portion of goodwill resulted from the gain or loss on transition and was therefore fully provided for impairment.

Note 2: Wuhan Xinneng Industrial Development Co., Ltd. (hereinafter referred to as "Wuhan Xinneng Industrial"), a subsidiary of the Group, and Xinyu Haoyue Information Technology Co., Ltd. (hereinafter referred to as "Xinyu Haoyue"), the controlling shareholder of Hangjin Technology Co., Ltd. (hereinafter referred to as "Hangjin Technology"), signed the *Debt Restructuring Agreement* on September 16th, 2020. Xinyu Haoyue transferred 113,363,924 shares of Hangjin Technology held by it to Wuhan Xinneng Industrial at a price of RMB 2,810,291,666.67 by way of an agreed transfer. Upon completion of the debt restructuring, Wuhan Xinneng Industrial held 113,363,924 shares of 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, and the controlling shareholder of Hangjin Technology was changed to Wuhan Xinneng Industrial Development Co., Ltd. and the actual controller was changed to Wuhan Municipal People's Government State-owned Assets Supervision and Administration Commission. The debt restructuring formed a business combination not under common control and the excess of the transaction consideration over the fair value of the net assets of the subject unit at the date of purchase amounted to RMB 2,389,692,834.56 and was recorded as goodwill.

At the date of purchase, Hangjin Technology was divided into five asset groups, namely the parent company of Hangjin Technology Co., Ltd., Jinzhou Jinhui Petroleum Chemical Storage and Transportation Co., Ltd., Changsha Shaoguang Semiconductor Co., Ltd., WeiKe Electronic Module (Shenzhen) Co., Ltd. and Jiangsu WeiKe Electronics Co., Ltd. The recoverable amounts of the asset groups at the end of the period referred to the ZLPB [2023] No.1106 issued by Zhonglian Assets Appraisal Co., Ltd., i.e., *Net Asset Valuation Report on the Fair Value Less Disposal Costs of the Asset Groups of Hangjin Technology Co., Ltd. Involved in the Goodwill Impairment Test of Wuhan Xineng Industrial Development Co., Ltd.* The fair value of the asset group containing goodwill was assessed in accordance with the market approach, taking into account relevant factors. The impairment test indicated that there was no impairment of goodwill as of December 31st, 2022.

Note 3: The goodwill of WeiKe Electronic Module (Shenzhen) Co., Ltd., Hunan Jiuqiang Xundun Information Technology Co., Ltd. and Honglin Microelectronics (Kunshan) Co., Ltd. was the goodwill of Hangjin Technology itself, which had been fully impaired by RMB 54,089,658.36.

Note 4: The Group's subsidiary, Wuhan Credit Asset Management Co., Ltd., purchased 100% equity interest in Chongqing Gaojun Trading Co., Ltd., forming a business combination not under common control, and the excess of the transaction consideration over the fair value of the net assets by RMB 1,889,334.34 at the date of purchase was recognized as goodwill.

Note 5: The Group's subsidiary, Wuhan Credit Asset Management Co., Ltd., purchased 100% equity interest in Chongqing Diligence Trading Co., Ltd., forming a business combination not under common control, and the excess of the transaction consideration over the fair value of the net assets by RMB 912,263.71 at the date of purchase was recognized as goodwill.

Note 6: The Group's subsidiary, Wuhan Tongchuang Huifeng Asset Management Co., Ltd., purchased 100% equity interest in Shenzhen Blue Penguin Non-Financing Guarantee Co., Ltd. (hereinafter referred to as "Blue Penguin Company"), forming a business combination not under common control, and the excess of the transaction consideration over the fair value of the net assets by RMB 1,039,217.55 at the date of purchase was recognized as goodwill. This portion of goodwill represented the accumulated losses of Blue Penguin Company prior to the

date of purchase and therefore a full provision for impairment was made.

The recoverable amount of Guotong Trust Co., Ltd. at the end of the period referred to the YXPB [2023] No. B00287 issued by Yinxin Assets Appraisal Co., Ltd., i.e., *Asset Valuation Report on the Recoverable Amount of the Asset Group Containing Goodwill of Guotong Trust Co., Ltd. Involved in the Goodwill Impairment Test to be Conducted by Wuhan Financial Holdings (Group) Co., Ltd.* The fair value of the asset group containing goodwill was assessed in accordance with the market approach, taking into account relevant factors. The impairment test indicated that there was no impairment of goodwill as of December 31st, 2022.

25. Long-term deferred expenses

Item	Opening balance	Increase in current period	Amortization in current period
Decoration fee	29,815,047.98	10,764,120.66	10,478,977.67
Amortization of business-related expenses	4,780,219.71	3,369,811.31	3,047,414.55
Software or network costs	206,984.37	6,671.32	192,771.46
Asset improvement expenses	39,051,123.00	9,293,416.92	14,939,543.38
Leased-in fixed assets improvement expenses	3,046,638.77		1,684,044.02
Company and base maintenance works	28,154,666.18	2,112,830.18	30,118,165.53
Guard dog base rental fees	229,999.70		229,999.70
Wuchang base vault renovation costs	436,789.64	10,838.19	447,627.83
Construction and renovation project of the office building of Tewe Dog Industry	1,653,174.03	-1,760,714.03	-107,540.00
Expansion training supporting facilities renovation project		1,990,753.37	457,873.25
Xin'andu renovation project	221,442.25	2,425,099.26	639,824.30
Long-term deferred expenses of Trade Holding	4,580,472.83	6,178,083.07	4,386,789.18
Others	421,622.35	3,650,754.21	808,387.94
Total	112,598,180.81	38,041,664.46	67,323,878.81

(Continued)

Item	Other decreases in current period	Closing balance	Reasons for other decreases
Decoration fee		30,100,190.97	
Amortization of business-related expenses		5,102,616.47	
Software or network costs	6,390.47	14,493.76	
Asset improvement expenses		33,404,996.54	
Leased-in fixed assets improvement expenses		1,362,594.75	
Company and base maintenance works		149,330.83	
Guard dog base rental fees			
Wuchang base vault renovation costs			

Item	Other decreases in current period	Closing balance	Reasons for other decreases
Construction and renovation project of the office building of Tewei Dog Industry			
Expansion training supporting facilities renovation project		1,532,880.12	
Xin'andu renovation project		2,006,717.21	
Long-term deferred expenses of Trade Holding	44,271.84	6,327,494.88	
Others	1,645,980.05	1,618,008.57	
Total	1,696,642.36	81,619,324.10	--

26. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are not shown net of offsets

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible/taxable temporary differences	Deferred tax assets/liabilities	Deductible/taxable temporary differences
Deferred tax assets:				
Provision for bad debts	1,574,054,011.53	6,317,859,372.37	1,649,740,680.42	6,648,293,160.51
Provision for impairment of debt investments	82,485,962.25	329,943,848.98	86,209,466.33	344,837,864.68
Changes in fair value of other non-current financial assets	21,813,791.90	87,255,167.58	21,813,791.90	87,255,167.58
Changes in fair value of financial instruments held for trading and derivative financial instruments	758,791,875.39	3,035,167,501.54	737,383,739.70	2,949,534,958.79
Fair value adjustment of investment properties	22,779,176.45	91,116,745.82	22,862,963.90	91,451,855.59
Deductible losses	16,496,370.39	108,514,481.44	16,149,999.97	105,565,043.10
Deferred income	869,686.40	5,797,909.33	935,687.00	6,237,913.33
Provision for the decline in value of inventories	4,235,986.01	16,943,944.06	187,064.61	748,258.43
Estimated liabilities	43,165,575.00	172,662,300.00		
Provision for impairment of long-term equity investments	3,600,000.00	14,400,000.00	3,600,000.00	14,400,000.00
Provision for impairment of construction in progress	36,750.00	147,000.00	36,750.00	147,000.00
Others	74,279,707.59	297,118,830.37	104,458,396.08	417,833,584.36
Subtotal	2,602,608,892.91	10,476,927,101.49	2,643,378,539.91	10,666,304,806.37
Deferred tax liabilities:				
Changes in fair value of financial instruments held for trading and derivative financial	31,077,167.41	124,308,669.64	24,276,570.30	97,106,281.20

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible/taxable temporary differences	Deferred tax assets/liabilities	Deductible/taxable temporary differences
instruments				
Changes in fair value of other non-current financial assets	27,993,380.13	111,973,520.50	33,213,439.75	132,853,759.00
Fair value adjustment of investment properties	35,987,617.57	143,950,470.26	28,419,185.64	113,676,742.54
Changes in fair value of financial instruments included in other comprehensive income	3,577,293.76	14,309,175.04	3,171,337.77	12,685,351.08
Pre-tax lump-sum deduction for fixed assets	22,260,611.43	89,397,903.04	4,435,642.70	29,570,951.31
Valuation increment of assets in business combinations not under common control	80,769,654.80	531,454,858.58	87,590,581.21	576,616,875.59
Others	32,062.31	128,249.24		
Subtotal	201,697,787.41	1,015,522,846.30	181,106,757.37	962,509,960.72

27. Other non-current assets

Item	Closing balance	Opening balance
Input tax to be deducted	25,801,401.72	10,403,605.13
Debt assets	341,116,233.59	316,765,344.95
Prepayment for engineering equipment	1,657,803.17	7,182,723.68
Land advance payment	146,260,000.00	106,260,000.00
Others	80,000.00	80,000.00
Total	514,915,438.48	440,691,673.76

Note: The debt assets are mainly the debt assets of subsidiaries Guotong Trust and Yangtze Asset Company, which mainly include land use rights and houses and buildings.

28. Short-term loans

(1) Classification of short-term loans

Item	Closing balance	Opening balance
Pledged loan	1,642,589,011.21	1,136,400,000.00
Mortgage loan	225,000,000.00	779,066,000.00
Guaranteed loan	6,928,492,900.59	3,296,841,130.10
Credit loan	4,839,243,689.05	4,109,519,838.87
Total	13,635,325,600.85	9,321,826,968.97

29. Notes payable

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements for the year 2022

Category	Closing balance	Opening balance
Bank acceptance	1,183,374,726.19	1,010,567,121.12
Trade acceptance	2,380,000.00	140,424,020.00
Total	1,185,754,726.19	1,150,991,141.12

30. Accounts payable

(1) Details of accounts payable

Aging	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year (including 1 year)	756,585,252.70	65.37	598,693,723.82	72.74
1-2 years (including 2 years)	221,704,420.96	19.15	46,529,148.43	5.65
2-3 years (including 3 years)	30,496,087.39	2.63	69,966,910.99	8.50
Over 3 years	148,749,983.87	12.85	107,947,368.89	13.11
Total	1,157,535,744.92	100.00	823,137,152.13	100.00

31. Advances from customers

Details of advances from customers

Aging	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year (including 1 year)	144,544,171.41	67.97	255,176,772.99	56.40
Over 1 year	68,127,275.52	32.03	197,303,685.84	43.60
Total	212,671,446.93	100.00	452,480,458.83	100.00

32. Contract liabilities

Item	Closing balance	Opening balance
Contract advances	5,067,603,304.92	3,859,021,993.10
Total	5,067,603,304.92	3,859,021,993.10

33. Employee benefits payable

(1) Classification of employee benefits payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Short-term remuneration	295,014,939.00	1,530,895,039.66	1,555,353,157.91	270,556,820.75
Post-employment benefits - defined contribution plans	18,812,091.23	155,777,892.61	145,025,821.43	29,564,162.41
Termination benefits		1,322,992.70	1,322,992.70	
Other benefits due within 1 year				
Total	313,827,030.23	1,687,995,924.97	1,701,701,972.04	300,120,983.16

(2) Short-term remuneration

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Salaries, bonuses, allowances and subsidies	247,723,939.10	1,275,870,269.19	1,298,313,876.55	225,280,331.74
Employee welfare expenses	4,723,057.40	46,941,706.53	47,709,268.69	3,955,495.24
Social insurance premiums	3,302,431.09	70,296,746.78	70,061,522.05	3,537,655.82
Including: Medical insurance premiums and maternity insurance premiums	3,279,876.94	65,080,742.66	64,848,365.40	3,512,254.20
Work injury insurance premiums	22,554.15	5,130,527.44	5,127,679.97	25,401.62
Others		85,476.68	85,476.68	
Housing provident fund	2,145,078.80	69,404,885.11	66,872,078.25	4,677,885.66
Funds for trade unions and staff education	36,674,408.62	11,118,279.12	14,921,780.75	32,870,906.99
Short-term paid absence				
Short-term profit-sharing plan				
Other short-term remuneration	446,023.99	57,263,152.93	57,474,631.62	234,545.30
Total	295,014,939.00	1,530,895,039.66	1,555,353,157.91	270,556,820.75

(3) Defined contribution plans

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Basic pension insurance	838,489.16	111,428,613.77	109,264,103.29	3,002,999.64
Unemployment insurance premiums	31,420.85	3,966,957.84	3,967,006.88	31,371.81
Enterprise annuity contributions	17,942,181.22	40,382,321.00	31,794,711.26	26,529,790.96
Total	18,812,091.23	155,777,892.61	145,025,821.43	29,564,162.41

34. Taxes and fees payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Value-added tax (VAT)	369,990,479.82	782,467,778.94	962,659,936.45	189,798,322.31
Consumption tax	813.40			813.40
Corporate income tax	703,634,550.22	931,506,603.49	999,645,775.67	635,495,378.04
City maintenance and construction tax	20,288,866.90	40,355,442.39	43,910,601.76	16,733,707.53
Property tax	9,893,239.25	40,210,314.22	39,419,716.71	10,683,836.76
Land use tax	5,297,247.41	11,499,558.47	10,935,838.30	5,860,967.58

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Individual income tax	28,386,786.90	115,403,773.98	104,061,738.90	39,728,821.98
Education surcharge (including local education surcharge)	13,735,039.67	29,265,725.38	31,585,627.75	11,415,137.30
Other taxes	627,009,533.14	108,243,101.51	119,754,082.69	615,498,551.96
Total	1,778,236,556.71	2,058,952,298.38	2,311,973,318.23	1,525,215,536.86

35. Other payables

Item	Closing balance	Opening balance
Interest payable	1,256,603.25	404,832,305.68
Dividends payable	263,838,924.76	220,537,221.18
Other payables	8,262,389,266.71	8,250,213,199.10
Total	8,527,484,794.72	8,875,582,725.96

(1) Interest payable

Item	Closing balance	Opening balance
Interest on long-term loans with interest payable in installments and principal repayment on maturity		348,469,068.80
Interest on corporate bonds		36,329,583.42
Interest payable on short-term loans		4,433,725.67
Other interest	1,256,603.25	15,599,927.79
Total	1,256,603.25	404,832,305.68

(2) Dividends payable

Item	Closing balance	Opening balance
Common share dividend	263,599,654.76	220,297,951.18
Others	239,270.00	239,270.00
Total	263,838,924.76	220,537,221.18

(3) Other payables

Other payables classified by nature of payment

Nature of payment	Closing balance	Opening balance
Current payments	7,086,934,478.34	7,598,144,497.19
Warranty, guarantee, earnest money, deposit	174,489,276.14	170,636,506.36
Agency collection and payment	30,032,063.85	48,063,597.80
Withholding payments	31,538,352.64	31,359,577.34
Accrued costs	15,173,618.86	7,139,731.17
Provisional receipts	227,447,684.54	219,930,134.69
Special funds	2,436,740.17	9,877,726.22

Nature of payment	Closing balance	Opening balance
Funding for Party-building work	13,609,584.20	9,264,400.88
Interest payable	437,770,418.31	-
Employee Share Ownership Plan	13,130,000.00	20,000.00
Compensation for demolition and relocation	16,944,800.00	-
Subsidies	34,316,143.77	27,612,490.64
Provisionally estimated funds	48,750,558.35	72,841,298.65
Others	129,815,547.54	55,323,238.16
Total	8,262,389,266.71	8,250,213,199.10

36. Non-current liabilities due within 1 year

Item	Closing balance	Opening balance
Long-term loans due within 1 year	10,885,782,587.63	8,241,929,708.98
Bonds payable due within 1 year	4,169,220,345.54	
Long-term payables due within 1 year	4,034,262,898.22	2,472,467,829.30
Lease liabilities due within 1 year	15,388,932.08	14,093,406.54
Total	19,104,654,763.47	10,728,490,944.82

37. Other current liabilities

Item	Closing balance	Opening balance
Output tax to be transferred	290,210,680.51	250,497,278.10
Endorsement of outstanding notes does not derecognize	147,970,012.08	285,295,867.84
Unearned premium reserve	47,571,929.80	49,193,090.68
Guaranteed indemnity reserve	116,892,799.88	95,242,516.58
Borrowing funds	41,394,282,294.05	34,104,960,000.00
Financial assets sold for repurchase	304,781.59	921,653,017.13
Short-term bonds payable	3,018,776,986.28	126,108,575.29
Others	74,673.00	74,673.00
Total	45,016,084,157.19	35,833,025,018.62

38. Long-term loans

Item	Closing balance	Opening balance
Pledged loan	453,825,042.89	669,909,825.92
Mortgage loan	992,269,207.97	1,670,253,767.58
Guaranteed loan	11,941,717,901.33	11,755,405,232.56
Credit loan	7,264,091,093.50	6,709,533,423.26
Total	20,651,903,245.69	20,805,102,249.32

39. Bonds payable

(1) Details of bonds payable

Item	Closing balance	Opening balance
Bonds payable	20,463,208,708.49	27,622,236,598.74
Total	20,463,208,708.49	27,622,236,598.74

(2) Changes in bonds payable

Bond name	Total par value	Date of issue	Bond period
Ultra short-term financing (21 Wujinkong SCP001)	900,000,000.00	4/28/2021	265 days
Ultra short-term financing (21 Wujinkong SCP002)	900,000,000.00	8/25/2021	240 days
Ultra short-term financing (21 Wujinkong SCP003)	1,000,000,000.00	8/31/2021	180 days
Ultra short-term financing (22 Wujinkong SCP001)	1,000,000,000.00	1/10/2022	198 days
Ultra short-term financing (22 Wujinkong SCP002)	1,000,000,000.00	2/16/2022	252 days
Ultra short-term financing (22 Wujinkong SCP003)	1,000,000,000.00	4/11/2022	252 days
Ultra short-term financing (22 Wujinkong SCP004)	1,000,000,000.00	6/15/2022	270 days
Ultra short-term financing (22 Wujinkong SCP005)	1,000,000,000.00	10/20/2022	180 days
Ultra short-term financing (22 Wujinkong SCP006)	1,000,000,000.00	12/12/2022	270 days
Epidemic prevention debt (20 Wujin 01)	600,000,000.00	3/11/2020	10 years
Epidemic prevention debt (20 Wujin 02)	400,000,000.00	3/11/2020	5+5 years
Corporate debt (21 Wujin 01)	1,000,000,000.00	3/23/2021	6 years
Medium-term notes (17 Wujinkong MTN001)	600,000,000.00	8/21/2017	5 years
Medium-term notes (20 Wujinkong MTN001)	1,000,000,000.00	11/5/2020	5 years
Medium-term notes (21 Wujinkong MTN001)	1,000,000,000.00	2/26/2021	3 years
Medium-term notes (21 Wujinkong MTN002)	800,000,000.00	7/15/2021	3 years
Medium-term notes (21 Wujinkong MTN003)	400,000,000.00	8/13/2021	5 years
Medium-term notes (22 Wujinkong MTN001)	800,000,000.00	3/11/2022	3 years
2021 USD Debt	2,876,580,000.00	2/10/2021	3 years
Wealth Management Direct Financing (2022 Phase I Wealth Management Direct Financing Instrument)	1,000,000,000.00	6/24/2022	2 years
Debt financing scheme (19 E Financial Holdings ZR001)	2,000,000,000.00	6/28/2019	5 years
Debt financing scheme (19 E Financial Holdings ZR002)	1,000,000,000.00	8/15/2019	3 years

Bond name	Total par value	Date of issue	Bond period
Debt financing scheme (20 E Financial Holdings ZR001-003)	400,000,000.00	6/18/2020	2 years
Debt financing scheme (20 E Financial Holdings ZR004)	600,000,000.00	9/27/2020	3 years
Debt financing scheme (20 E Financial Holdings ZR005)	500,000,000.00	11/13/2020	718 days
Debt financing scheme (20 E Financial Holdings ZR006)	750,000,000.00	12/9/2020	2 years
Debt financing scheme (21 E Financial Holdings ZR001)	150,000,000.00	3/23/2021	2 years
Debt financing scheme (21 E Financial Holdings ZR002)	500,000,000.00	6/9/2021	2 years
Debt financing scheme (21 E Financial Holdings ZR003)	400,000,000.00	6/10/2021	340 days
Debt financing scheme (21 E Financial Holdings ZR004)	500,000,000.00	6/18/2021	365 days
Debt financing scheme (21 E Financial Holdings ZR005)	100,000,000.00	6/30/2021	2 years
Debt financing scheme (21 E Financial Holdings ZR006)	1,000,000,000.00	7/29/2021	2 years
Debt financing scheme (21 E Financial Holdings ZR007)	100,000,000.00	8/10/2021	331 days
Debt financing scheme (22 E Financial Holdings ZR001)	400,000,000.00	6/9/2022	3 years
Debt financing scheme (22 E Financial Holdings ZR002)	300,000,000.00	6/22/2022	2 years
Debt financing scheme (22 E Financial Holdings ZR003)	100,000,000.00	8/5/2022	682 days
Debt financing scheme (22 E Financial Holdings ZR004)	850,000,000.00	12/27/2022	2 years
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase I)	1,440,000,000.00	4/27/2020	5 years
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and Control Debt)	2,560,000,000.00	6/9/2020	5 years
Gas Bonds			
Wuhan Yangtze River Economy United Development Co., Ltd. 2021 Non-public issuance of corporate bonds (Phase I)	250,000,000.00	11/22/2021	3 years
20 Hubei leasing debt	1,000,000,000.00	10/30/2020	36 months
Hubei Financial Leasing Co., Ltd. 2021 Phase I financial bonds	1,800,000,000.00	3/19/2021	36 months
Special debt for special railroad lines	450,000,000.00	6/16/2022	15 years
20 Wuhan Trade MTN001	300,000,000.00	1/19/2020	3 years
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN002	500,000,000.00	3/25/2020	3 years
Total	37,226,580,000.00	—	—

(Continued 1)

Bond name	Issue amount	Opening balance	Issue in current period	Interest accrued at par value
Ultra short-term financing (21 Wujinkong SCP001)	900,000,000.00	920,357,633.56		1,270,722.60
Ultra short-term financing (21 Wujinkong SCP002)	900,000,000.00	909,335,506.85		8,062,849.31
Ultra short-term financing (21 Wujinkong SCP003)	1,000,000,000.00	1,009,772,754.95		4,331,354.64
Ultra short-term financing (22 Wujinkong SCP001)	1,000,000,000.00		1,000,000,000.00	15,189,041.10
Ultra short-term financing (22 Wujinkong SCP002)	1,000,000,000.00		1,000,000,000.00	18,503,013.70
Ultra short-term financing (22 Wujinkong SCP003)	1,000,000,000.00		1,000,000,000.00	18,779,178.08
Ultra short-term financing (22 Wujinkong SCP004)	1,000,000,000.00		1,000,000,000.00	13,980,821.90
Ultra short-term financing (22 Wujinkong SCP005)	1,000,000,000.00		1,000,000,000.00	3,957,808.22
Ultra short-term financing (22 Wujinkong SCP006)	1,000,000,000.00		1,000,000,000.00	838,356.16
Epidemic prevention debt (20 Wujin 01)	600,000,000.00	624,653,684.93		30,801,109.55
Epidemic prevention debt (20 Wujin 02)	400,000,000.00	412,477,266.35		15,588,487.10
Corporate debt (21 Wujin 01)	1,000,000,000.00	1,032,703,805.17		40,010,715.35
Medium-term notes (17 Wujinkong MTN001)	600,000,000.00	611,828,849.29		19,251,150.71
Medium-term notes (20 Wujinkong MTN001)	1,000,000,000.00	1,007,573,972.61		47,038,356.16
Medium-term notes (21 Wujinkong MTN001)	1,000,000,000.00	1,038,501,712.33		43,238,013.72
Medium-term notes (21 Wujinkong MTN002)	800,000,000.00	815,942,633.18		33,004,435.30
Medium-term notes (21 Wujinkong MTN003)	400,000,000.00	407,467,397.26		18,570,958.90
Medium-term notes (22 Wujinkong MTN001)	800,000,000.00		800,000,000.00	24,049,315.07
2021 USD Debt	2,876,580,000.00	2,881,258,526.25	265,005,000.00	108,267,581.25
Wealth Management Direct Financing (2022 Phase I Wealth Management Direct Financing Instrument)	1,000,000,000.00		1,000,000,000.00	26,321,917.81
Debt financing scheme (19 E Financial Holdings ZR001)	2,000,000,000.00	2,004,291,506.85		138,108,493.15
Debt financing scheme (19 E Financial Holdings ZR002)	1,000,000,000.00	1,023,863,219.20		38,836,780.80
Debt financing scheme (20 E Financial Holdings ZR001-003)	400,000,000.00	400,671,666.67		8,731,666.67
Debt financing scheme (20 E Financial Holdings ZR004)	600,000,000.00	606,481,712.33		21,997,739.73
Debt financing scheme (20 E	500,000,000.00	500,794,444.44		22,027,777.77

Bond name	Issue amount	Opening balance	Issue in current period	Interest accrued at par value
Financial Holdings ZR005)				
Debt financing scheme (20 E Financial Holdings ZR006)	750,000,000.00	751,725,000.00		25,650,000.00
Debt financing scheme (21 E Financial Holdings ZR001)	150,000,000.00	154,304,166.66		5,265,833.34
Debt financing scheme (21 E Financial Holdings ZR002)	500,000,000.00	501,677,083.33		25,812,500.00
Debt financing scheme (21 E Financial Holdings ZR003)	400,000,000.00	401,060,821.92		6,509,589.04
Debt financing scheme (21 E Financial Holdings ZR004)	500,000,000.00	500,850,000.00		11,900,000.00
Debt financing scheme (21 E Financial Holdings ZR005)	100,000,000.00	100,000,000.00		5,120,138.90
Debt financing scheme (21 E Financial Holdings ZR006)	1,000,000,000.00	1,009,030,136.99		48,925,000.01
Debt financing scheme (21 E Financial Holdings ZR007)	100,000,000.00	100,626,849.32		2,254,246.57
Debt financing scheme (22 E Financial Holdings ZR001)	400,000,000.00		400,000,000.00	11,283,287.67
Debt financing scheme (22 E Financial Holdings ZR002)	300,000,000.00		300,000,000.00	7,219,726.03
Debt financing scheme (22 E Financial Holdings ZR003)	100,000,000.00		100,000,000.00	1,795,890.41
Debt financing scheme (22 E Financial Holdings ZR004)	850,000,000.00		850,000,000.00	
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase I)	1,440,000,000.00	1,435,763,200.00		
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and Control Debt)	2,560,000,000.00	2,555,690,133.32		
Gas Bonds		12,648.00		
Wuhan Yangtze River Economy United Development Co., Ltd. 2021 Non-public issuance of corporate bonds (Phase I)	250,000,000.00	245,293,759.38	50,000,000.00	16,475,694.49
20 Hubei leasing debt	1,000,000,000.00	1,003,965,018.64		42,000,000.00
Hubei Financial Leasing Co., Ltd. 2021 Phase I financial bonds	1,800,000,000.00	1,854,261,488.96		75,600,000.00
Special debt for special railroad lines	450,000,000.00		450,000,000.00	7,128,279.90
20 Wuhan Trade MTN001	300,000,000.00	300,000,000.00		
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN002	500,000,000.00	500,000,000.00		
Total	37,226,580,000.00	27,622,236,598.74	10,215,005,000.00	1,013,697,831.11

(Continued 2)

Bond name	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
Ultra short-term financing (21 Wujinkong SCP001)		921,628,356.16		
Ultra short-term financing (21 Wujinkong SCP002)		917,398,356.16		
Ultra short-term financing (21 Wujinkong SCP003)		1,014,104,109.59		
Ultra short-term financing (22 Wujinkong SCP001)		1,015,189,041.10		
Ultra short-term financing (22 Wujinkong SCP002)		1,018,503,013.70		
Ultra short-term financing (22 Wujinkong SCP003)		1,018,779,178.08		
Ultra short-term financing (22 Wujinkong SCP004)			1,013,980,821.90	
Ultra short-term financing (22 Wujinkong SCP005)			1,003,957,808.22	
Ultra short-term financing (22 Wujinkong SCP006)			1,000,838,356.16	
Epidemic prevention debt (20 Wujin 01)		31,140,000.00		624,314,794.48
Epidemic prevention debt (20 Wujin 02)		15,760,000.00		412,305,753.45
Corporate debt (21 Wujin 01)		41,600,000.00		1,031,114,520.52
Medium-term notes (17 Wujinkong MTN001)		631,080,000.00		
Medium-term notes (20 Wujinkong MTN001)		48,500,000.00		1,006,112,328.77
Medium-term notes (21 Wujinkong MTN001)		45,000,000.00		1,036,739,726.05
Medium-term notes (21 Wujinkong MTN002)		34,160,000.00		814,787,068.48
Medium-term notes (21 Wujinkong MTN003)		19,200,000.00		406,838,356.16
Medium-term notes (22 Wujinkong MTN001)				824,049,315.07
2021 USD Debt		107,141,310.00		3,147,389,797.50
Wealth Management Direct Financing (2022 Phase I Wealth Management Direct Financing Instrument)		26,321,917.81		1,000,000,000.00
Debt financing scheme (19 E Financial Holdings ZR001)		142,400,000.00	600,000,000.00	1,400,000,000.00
Debt financing scheme (19 E Financial Holdings ZR002)		1,062,700,000.00		
Debt financing scheme (20 E Financial Holdings ZR001-003)		409,403,333.34		
Debt financing scheme (20 E		23,100,000.00	150,000,000.00	455,379,452.06

Bond name	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
Financial Holdings ZR004)				
Debt financing scheme (20 E Financial Holdings ZR005)		522,822,222.21		
Debt financing scheme (20 E Financial Holdings ZR006)		777,375,000.00		
Debt financing scheme (21 E Financial Holdings ZR001)		5,475,000.00		154,095,000.00
Debt financing scheme (21 E Financial Holdings ZR002)		26,614,583.33	500,000,000.00	875,000.00
Debt financing scheme (21 E Financial Holdings ZR003)		407,570,410.96		
Debt financing scheme (21 E Financial Holdings ZR004)		512,750,000.00		
Debt financing scheme (21 E Financial Holdings ZR005)		5,120,138.90	100,000,000.00	
Debt financing scheme (21 E Financial Holdings ZR006)		100,850,958.91	950,000,000.00	7,104,178.09
Debt financing scheme (21 E Financial Holdings ZR007)		102,881,095.89		
Debt financing scheme (22 E Financial Holdings ZR001)		10,588,931.51		400,694,356.16
Debt financing scheme (22 E Financial Holdings ZR002)		7,219,726.03	30,000,000.00	270,000,000.00
Debt financing scheme (22 E Financial Holdings ZR003)		1,197,260.27		100,598,630.14
Debt financing scheme (22 E Financial Holdings ZR004)				850,000,000.00
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase I)	-1,000,000.00			1,436,763,200.00
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and Control Debt)	-5,000,000.00			2,560,690,133.32
Gas Bonds				12,648.00
Wuhan Yangtze River Economy United Development Co., Ltd. 2021 Non-public issuance of corporate bonds (Phase I)	12,534,870.52	80,000,000.00		219,234,583.35
20 Hubei leasing debt	-686,160.15	42,000,000.00	1,004,651,178.79	
Hubei Financial Leasing Co., Ltd. 2021 Phase I financial bonds	-411,015.92	75,600,000.00		1,854,672,504.88
Special debt for special railroad lines	562,637.99	7,128,279.90		449,437,362.01
20 Wuhan Trade MTN001			300,000,000.00	

Bond name	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN002			500,000,000.00	
Total	6,000,332.44	11,228,302,223.85	7,153,428,165.07	20,463,208,708.49

40. Lease liabilities

Item	Closing balance	Opening balance
Lease payments	104,992,268.97	131,183,416.21
Less: Unrecognized financing costs	12,091,648.78	21,662,794.09
Reclassification to non-current liabilities due within one year	15,388,932.08	14,093,406.55
Net lease liabilities	77,511,688.11	95,427,215.57

41. Long-term payables

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Long-term payables	4,726,739,271.86	5,504,562,931.57	4,950,575,827.31	5,280,726,376.12
Special payables	54,176,247.09	15,429,000.00	11,690,000.00	57,915,247.09
Total	4,780,915,518.95	5,519,991,931.57	4,962,265,827.31	5,338,641,623.21

(1) Top five long-term payables with the largest closing balances

Item	Closing balance	Opening balance
Total	1,873,347,367.28	1,335,496,664.22
Huarong Financial Leasing Co., Ltd.	586,324,559.37	284,200,520.73
Wuxi Caitong Finance Leasing Co., Ltd.	348,066,647.88	377,914,468.36
Bank of Beijing Financial Leasing Company	337,812,776.93	
Zhejiang Zheshang Bank Financial Leasing Co., Ltd.	301,600,128.76	280,184,746.71
Shanghai Puxi Financial Leasing Co., Ltd.	299,543,254.34	393,196,928.42

(2) Top five special payables with the largest closing balances

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Special appropriation	29,618,549.87			29,618,549.87
Wuhan Finance Bureau Grant	15,000,000.00			15,000,000.00
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
Entrusted investment by Municipal Technology Bureau	300,000.00			300,000.00
Total	48,400,525.87			48,400,525.87

Note: The special appropriation was received from Wuhan Finance Bureau for the "basic construction fund allocated to the local level from the higher level" by the subsidiary Construction Investment Company in previous years before 2005.

42. Long-term employee benefits payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Post-employment benefits - net liabilities for defined benefit plans				
II. Termination benefits				
III. Other long-term benefits	28,641,422.09	21,225,974.98	10,234,247.07	39,633,150.00
Total	28,641,422.09	21,225,974.98	10,234,247.07	39,633,150.00

43. Provisions

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
External guarantees	30,105,072.29		4,188,969.20	25,916,103.09
Trust business reserve		172,662,300.00		172,662,300.00
Total	30,105,072.29	172,662,300.00	4,188,969.20	198,578,403.09

44. Deferred income

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Government grants	228,569,904.61	114,422,294.24	47,809,236.59	295,182,962.26

Government grants:

Item	Closing book balance		Amount charged to the current profit or loss
	Amount included in other current liabilities	Amount included in deferred income	
Financial subsidies for investments in fixed assets under the provincial budget of Wuhan Xinzhou District Development and Reform Commission		2,000,000.00	
Central special subsidies		63,800,000.00	
Fixed asset investments under the provincial budget		2,000,000.00	
The first phase of funds from the emergency security center of the Provincial Food Administration		30,000,000.00	
Special funds for industrial structure adjustment		3,915,200.00	714,300.00
Special funds for environmental protection		1,071,428.54	357,142.86
Special funds for heavy metal pollution prevention and control		767,731.52	255,910.50
Special funds for science and technology		176,190.70	28,571.40
Public relations infrastructure construction subsidies from financial institutions in Danyang Economic & Technological Development Zone, Jiangsu Province		4,067,000.00	117,600.00
2016 Shenzhen Future Industry Development Special Funds (Exclusive for Military Industries)		1,613,309.33	440,004.00

Item	Closing book balance		Amount charged to the current profit or loss
	Amount included in other current liabilities	Amount included in deferred income	
Special support funds for the development of integrated circuit industry		810,138.74	108,379.68
Video display processor industrialization capacity building project		2,975,000.00	350,000.00
Subsidy for new energy vehicles		76,150,624.65	39,727,500.00
Double hundreds market project		1,320,000.03	62,857.14
Refrigerated warehouse renovation-No.1 warehouse		2,332,142.83	100,000.00
Refrigerated warehouse renovation-No.6 warehouse		2,092,857.14	85,714.28
Financial allocation for informatization project (Phase I)		3,056,680.00	450,000.00
Financial allocation for informatization project (Phase II)		11,718,320.00	1,800,000.00
Special funds from the Development and Reform Commission for central urban and rural cold chain and national logistics hub construction project		20,901,090.00	
10,000-ton cold storage project		2,000,000.00	
Subsidy for reserve grain management system construction project		132,000.00	44,000.00
Wall reinforcement project for No.13, No.17, and No.19 warehouses			333,500.00
Quasi-low temperature warehouse renovation project		5,540,000.00	
Grain warehouse monitoring construction in Hubei Province (intelligent upgrade)		38,476,739.02	715,368.00
Grain warehouse monitoring construction in Hubei Province (intelligent upgrade)		1,030,585.96	1,360,490.51
2020 provincial grants for quasi-low temperature silo renovation engineering industrial development project of No.7 warehouse		549,400.00	10,600.00
Other government grants related to assets		182,266.67	40,000.00
Property rights system reform		11,455.00	
Provincial grain depot maintenance and renovation funds		329,800.00	6,800.00
2017 Municipal Financial Supplementary Funds		970,000.00	20,000.00
Grain chiller		114,480.00	50,880.00
Drying workshop equipment		1,450,000.00	300,000.00
Simple construction cost		80,908.67	1,668.22
Drying workshop plant		1,725,900.00	38,000.00
Special funds for grain depot construction in 2017		3,519,520.79	47,050.00
Non-reimbursable allocation of long-term non-monetary assets		78,962.67	48,830.00
Provincial grain circulation industry development funds in 2017		18,410.00	21,590.00
Special funds for construction of grain depots in 2018		1,236,810.00	50,190.00
Special funds for construction of grain depots in 2020		2,502,500.00	47,500.00
Special funds for construction of grain depots in 2021		610,000.00	
Special funds for construction of grain depots in 2019		2,302,130.00	44,170.00

Item	Closing book balance		Amount charged to the current profit or loss
	Amount included in other current liabilities	Amount included in deferred income	
Special supplementary funds for construction of grain depots in 2019		1,553,380.00	30,620.00
Total		295,182,962.26	47,809,236.59

45. Other non-current liabilities

Item	Closing balance	Opening balance
Long-term borrowed funds	366,687,253.34	1,710,879,882.43
Subsidy funds for the construction of infrastructure in the park	17,119,732.00	17,119,732.00
Total	383,806,985.34	1,727,999,614.43

46. Paid-in capital

Investor	Opening balance		Increase in current period	Decrease in current period	Closing balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government	7,560,000,000.00	100.00	758,049,395.60		8,318,049,395.60	100.00
Total	7,560,000,000.00	100.00	758,049,395.60		8,318,049,395.60	100.00

Note: 1. In 2022, State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government directly injected RMB 256 million into the Company;

2. According to the "Notice of the Municipal Bureau of Finance on Increasing the State-owned Capital of Wuhan Financial Holdings (Group) Co., Ltd." ([2022] No. 1351), in order to accelerate the development of the Company, and help it get bigger, stronger and better, the Wuhan Municipal Bureau of Finance increased the State-owned capital injection to the Company by RMB 500 million with the consent of the municipal government.

47. Other equity instruments

Bond name	Opening balance	Increase in current period	Decrease in current period	Closing balance
2017 Wujinkong MTN002	1,000,000,000.00		1,000,000,000.00	

Bond name	Opening balance	Increase in current period	Decrease in current period	Closing balance
2019 Wujinkong MTN001	2,100,000,000.00		2,100,000,000.00	
2020 Wujin Y1 Renewable corporate bonds	500,000,000.00			500,000,000.00
22 Wujin Y1		1,000,000,000.00		1,000,000,000.00
22 Wujin Y2		500,000,000.00		500,000,000.00
22 Wujinkong MTN002		500,000,000.00		500,000,000.00
22 Wujinkong MTN003		700,000,000.00		700,000,000.00
22 Wujinkong MTN004		1,000,000,000.00		1,000,000,000.00
Total	3,600,000,000.00	3,700,000,000.00	3,100,000,000.00	4,200,000,000.00

48. Capital reserves

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Capital (or equity) premium				
II. Other capital reserves	6,568,156,635.04	319,163,134.84	44,999,238.00	6,842,320,531.88
Total	6,568,156,635.04	319,163,134.84	44,999,238.00	6,842,320,531.88
Including: State-owned exclusive capital reserves				

Note: According to the “Resolution of the Five Hundred and Nineteenth Meeting of the Second Session of the Board of Directors of Wuhan Financial Holdings (Group) Co., Ltd. (Reached by signed circular) (WJKD [2022] No. 90) and the “Notice of the General Office of the Municipal People's Government on the Issuance of the Implementation Plan for the Establishment of Wuhan Changjiang International Trade Group Co., Ltd.” (WZB [2022] No. 65), the Company was agreed to establish a new wholly-owned subsidiary “Wuhan Changjiang International Trade Group Co., Ltd.” (hereinafter referred to as “Changjiang International Trade”) by way of monetary contribution and equity contribution. For the equity contribution, the Company injected the equity of Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd., Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd., Wuhan International Exchange Service Centre Co., Ltd., and Wuhan Yangluo Port Services Co., Ltd. into Changjiang International Trade. The date of the equity transfer is April 30th, 2022. The difference between the carrying cost of equity investment and the net assets at the date of transfer results in an increase in capital reserves of RMB 312 million for the period.

49. Special reserve

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
------	-----------------	----------------------------	----------------------------	-----------------

Safety production costs	3,117,081.50			3,117,081.50
Total	3,117,081.50			3,117,081.50

50. Surplus reserves

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	382,382,923.77			382,382,923.77
Total	382,382,923.77			382,382,923.77

51. General risk reserve

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
General risk reserve	773,796,949.84	187,701,946.61		961,498,896.45
Total	773,796,949.84	187,701,946.61		961,498,896.45

52. Undistributed profit

Item	Amount in current period	Amount in previous period
Closing balance in previous year	-1,022,090,267.04	4,306,347,029.63
Opening adjustment amount		-2,282,758,607.39
Including: Opening adjustment due to new standard		-1,573,111,486.32
Early error correction		-709,647,121.07
Opening balance in current period	-1,022,090,267.04	2,023,588,422.24
Increase in current period	107,156,801.27	1,176,609,001.81
Including: Transfer of net profit for the period	108,268,775.11	1,176,609,001.81
Other adjustment factors	-1,111,973.84	
Decrease in current period	1,033,217,034.39	4,222,287,691.09
Including: Appropriation of surplus reserve in current period		360,010,825.23
Appropriation of general risk reserve in current period	187,701,946.61	122,945,192.22
Cash dividends distributed in current period	366,287,800.00	337,852,300.00
Capital reserve converted into share capital		3,249,036,919.84
Other decrease	479,227,287.78	152,442,453.80
Closing balance in current period	-1,948,150,500.16	-1,022,090,267.04

Note: See Note V. (3) for details of the reasons for opening adjustments.

53. Operating income and operating cost

(1) Operating income and operating cost

Item	Incurred in current period	
	Income	Cost
Financial services sector	7,320,171,006.79	1,985,237,477.10
Industry sector	52,532,614,024.58	50,712,277,908.23

Total	59,852,785,031.37	52,697,515,385.33
--------------	--------------------------	--------------------------

(Continued)

Item	Incurred in previous period	
	Income	Cost
Financial services sector	6,702,046,586.76	1,641,100,858.61
Industry sector	45,950,427,091.34	43,528,038,658.22
Total	52,652,473,678.10	45,169,139,516.83

54. Selling expenses, general and administrative expenses, research and development expenses and financial expenses

(1) Selling expenses

Item	Amount in current period	Amount in prior period
Packaging costs	279,126.34	60,800.00
Transport costs	8,190,231.11	13,420,429.40
Loading and unloading charges	437,875.21	885,537.31
Warehousing and storage	76,046,589.51	73,458,025.95
Insurance costs	375,869.94	432,026.00
Advertising costs	1,861,575.87	1,359,916.78
Sales and service costs	10,984,118.33	3,745,961.53
Employee benefits	115,709,204.93	108,396,365.65
Operating expenses	1,911,042.86	15,800,270.54
Commissioning fee	1,686,857.47	519,893.06
Depreciation	63,075,686.58	67,135,816.90
Repair costs	329,755.79	9,452.22
Sample and product wear and tear	2,843,744.60	52,145.28
Others	31,942,628.55	52,773,462.89
Total	315,674,307.09	338,050,103.51

(2) General and administrative expenses

Item	Amount in current period	Amount in previous period
Employee benefits	1,042,957,428.74	1,017,076,565.82
Insurance costs	5,870,604.19	3,693,719.00
Depreciation	122,361,866.62	119,781,812.04
Repair costs	9,324,320.57	15,483,190.33
Amortization of intangible assets	53,795,360.34	42,718,981.79
Inventory losses	28,878.31	
Business entertainment expenses	12,965,589.35	14,765,217.70
Travel expenses	13,565,460.08	16,664,828.14
Office expenses	30,512,337.32	41,966,241.00

Item	Amount in current period	Amount in previous period
Conference fees	1,296,916.37	2,928,205.72
Litigation expenses	1,631,622.74	1,643,775.45
Intermediary fees	62,294,168.47	66,688,278.60
Including: Annual final accounts and audit costs	10,626,057.34	16,240,873.99
Consulting fees	4,610,495.38	5,194,414.30
Board fees	270,761.68	197,065.35
Sewerage fee	726,771.65	616,798.80
Others	210,808,307.92	173,717,338.48
Total	1,573,020,889.73	1,539,377,306.51

Note: The “Others” under “General and administrative expenses” mainly include heating expenses, promotional expenses, administrative overheads and other expenses.

(3) Research and development expenses

Item	Amount in current period	Amount in previous period
Employee benefits	63,680,021.44	44,217,333.39
Direct material costs	42,169,817.34	19,751,170.55
Depreciation and amortisation	23,271,051.89	22,394,405.31
Commissioned development fees	16,829,239.04	7,485,593.16
Others	4,269,852.29	5,102,496.02
Sample R&D	4,815.68	162,138.58
Total	150,224,797.68	99,113,137.01

(4) Financial expenses

Type	Amount in current period	Amount in previous period
Interest expense	3,785,197,249.47	4,067,445,709.82
Less: Interest income	132,951,938.74	169,939,345.58
Less: Net exchange gains	6,992,571.56	66,583,428.09
Add: Net exchange losses	265,011,017.95	3,902,669.61
Add: Handling charges	91,797,359.92	71,813,913.66
Add: Others	56,536,033.99	31,451,016.20
Total	4,058,597,151.03	3,938,090,535.62

55. Other income

Item	Amount in current period	Amount in previous period
Tax deductions and tax refunds	15,463,712.50	22,529,163.94
Job stabilization subsidy	4,017,744.75	2,335,608.95
Government grants and financial operating incentives	277,189,765.25	136,913,486.45
Enterprise support funds		1,660,000.00

Item	Amount in current period	Amount in previous period
Entrepreneurship subsidy	382,462.80	4,000,500.00
Work-based training subsidy	3,713,452.13	3,440,680.00
Anti-epidemic subsidies	200,000.00	
Enterprise expansion bonus	6,325,034.40	180,000.00
Others	288,748.48	695,176.77
Total	307,580,920.31	171,754,616.11

56. Investment income

Source of investment income	Amount in current period	Amount in previous period
Income arising from long-term equity investments under the equity method	340,665,891.26	347,123,602.19
Investment income arising from disposal of long-term equity investments	-230,126.51	3,762,736.00
Investment income from financial assets held for trading during the holding period	58,899,294.33	77,172,049.94
Investment income from disposal of financial assets held for trading	-188,265,669.69	99,144,962.51
Investment income from investments in other equity instruments during the holding period	13,064,411.51	8,206,465.89
Interest income on debt investments during the holding period	3,706,868.45	17,594,790.32
Investment income from disposal of debt investments	806,128.72	-
Investment income from other debt investments during the holding period	51,139,188.74	14,183,205.73
Investment income from disposal of other debt investments	19,643.95	3,361.64
Investment income earned on other non-current financial assets during the holding period	1,630,127.54	14,400,078.97
Investment income from debt restructuring	249,336,240.87	444,631,245.99
Others	598,369.80	36,110,559.50
Total	531,370,368.97	1,062,333,058.68

57. Income from change in fair value

Source of income from change in fair value	Amount in current period	Amount in previous period
Financial assets held for trading	-30,552,208.62	34,684,244.65
Other non-current financial assets	182,419,446.48	238,343,483.65
Investment properties measured at fair value	33,184,304.69	-18,144,123.26
Total	185,051,542.55	254,883,605.04

58. Credit impairment losses

Item	Amount in current period	Amount in prior period
Bad debt losses	-223,265,228.05	-250,028,334.11
Credit impairment loss on debt investments	233,370,526.27	15,204,213.63
Others	6,301,068.37	-14,401,378.53
Total	16,406,366.59	(249,225,499.01)

59. Impairment loss on assets

Item	Amount in current period	Amount in previous period
Loss on the decline in value of inventories	-79,494,909.37	-20,582,238.67
Impairment loss on long-term equity investments		-14,400,000.00
Impairment loss on fixed assets	-813,634.02	
Impairment loss on construction in progress		-186,136.39
Impairment loss on goodwill		-55,128,875.91
Others	12,980,523.48	
Total	-67,328,019.91	-90,297,250.97

60. Income from disposal of assets

Item	Amount in current period	Amount in previous period	Amount included in non-recurring profit or loss for the period
Gain on disposal of non-current assets	31,172,805.79	126,545,995.62	31,172,805.79
Gain on disposal of non-current assets not classified as held for sale	31,172,805.79	126,545,995.62	31,172,805.79
Including: Gain on disposal of fixed assets	4,776,288.54	126,545,995.62	4,776,288.54
Gain on disposal of intangible assets	3,514,816.00		3,514,816.00
Gain on disposal of other assets	22,878,155.06		22,878,155.06
Gain or loss on disposal of right-to-use assets	3,546.19		3,546.19
Gain on exchange of non-monetary assets		44,798,623.82	
Total	31,172,805.79	171,344,619.44	31,172,805.79

61. Non-operating income

Item	Amount in current period	Amount in previous period	Amount included in non-recurring profit or loss for the year
Gains on disposal of damaged or scrapped non-current assets	1,144,656.75	194,637.50	1,144,656.75
Proceeds from debt restructuring			
Government grants not related to the daily activities of the business	4,997,590.80	43,797,405.79	4,997,590.80
Donations received	4,185,230.85		4,185,230.85
Penalties, default income	58,369,838.31	3,491,619.61	58,369,838.31
Unpayable payments	5,404,638.90	2,850,711.30	5,404,638.90
Lease income from debt-settled assets	50,324,433.26	4,352,435.62	50,324,433.26
Others	2,283,424.74	8,822,853.20	2,283,424.74
Total	126,709,813.61	63,509,663.02	126,709,813.61

62. Non-operating expenses

Item	Amount in current period	Amount in prior period	Amount included in non-recurring profit or loss for the year
Loss on disposal of damaged or scrapped non-current assets	2,203,965.74	7,924,425.52	2,203,965.74
Loss on external donations	834,149.95	1,369,932.29	834,149.95
Fine expenses, late payment fees	22,382,801.26	4,411,115.25	22,382,801.26
Damages, liquidated damages	846,857.52	5,506,602.18	846,857.52
Other expenses	182,851,466.06	26,033,311.93	182,851,466.06
Carbon emission allowance	3,000,000.00		3,000,000.00
Total	212,119,240.53	45,245,387.17	212,119,240.53

Note: The "Other expenses" under "Non-operating expenses" mainly includes the trust business reserve.

63. Income tax expenses

(1) Income tax expenses

Item	Amount in current period	Amount in prior period
Current income tax expenses	872,543,765.70	990,885,746.56
Deferred tax adjustments	47,620,771.71	-56,086,904.80
Others	1,166.21	42,842,859.47
Total	920,165,703.62	977,641,701.23

64. 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 period		
	Amount before tax	Income tax	Net amount after tax
I. Other comprehensive income that cannot be reclassified into profit or loss	-235,761,558.95	390,930.99	-236,152,489.94
1. Changes resulting from remeasurement of defined benefit plan net liabilities or net assets			
2. Share in other comprehensive income of the investee that cannot be reclassified to profit or loss under the equity method	-6,183,495.50		-6,183,495.50
3. Changes in fair value of investments in other equity instruments	-229,578,063.45	390,930.99	-229,968,994.44
4. Changes in fair value of the company's credit risk			
5. Others			
II. Other comprehensive income that will be reclassified to profit or loss in the future	14,840,608.80	2,980,713.68	11,859,895.12
1. Share in other comprehensive income of the	1,950,824.02		1,950,824.02

Item	Amount in current period		
	Amount before tax	Income tax	Net amount after tax
investee to be reclassified subsequently to profit or loss under the equity method			
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal	1,950,824.02		1,950,824.02
2. Profit and loss from fair value changes of available-for-sale financial assets			
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal			
3. Gains and losses for held-to-maturity investments that are reclassified into available-for-sale financial assets			
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal			
4. Cash flow hedging reserves (effective portion of cash flow hedging profit and loss)			
Adjustment amount converted into initial recognition amount of hedged item			
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal			
5. Translation difference of foreign currency statements	1,783,079.06		1,783,079.06
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal	1,783,079.06		1,783,079.06
6. Others	11,106,705.72	2,980,713.68	8,125,992.04
Less: Those transferred to the current profit or loss but previously transferred to other comprehensive income			
Subtotal	11,106,705.72	2,980,713.68	8,125,992.04
III. Total other comprehensive income	-220,920,950.15	3,371,644.67	-224,292,594.82

(Continued)

Item	Amount in previous period		
	Amount before tax	Income tax	Net amount after tax
I. Other comprehensive income that cannot be reclassified into profit or loss	-5,732,015.37	516,924.67	-6,248,940.04
1. Changes resulting from remeasurement of defined benefit plan net liabilities or net assets			

Item	Amount in previous period		
	Amount before tax	Income tax	Net amount after tax
2. Share in other comprehensive income of the investee that cannot be reclassified to profit or loss under the equity method			
3. Changes in fair value of investments in other equity instruments	-5,732,015.37	516,924.67	-6,248,940.04
4. Changes in fair value of the company's credit risk			
5. Others			
II. Other comprehensive income that will be reclassified to profit or loss in the future	-32,536,025.36		-32,536,025.36
1. Share in other comprehensive income of the investee to be reclassified subsequently to profit or loss under the equity method	-27,328,104.14		-27,328,104.14
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal	-27,328,104.14		-27,328,104.14
2. Profit and loss from fair value changes of available-for-sale financial assets			
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal			
3. Gains and losses for held-to-maturity investments that are reclassified into available-for-sale financial assets			
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal			
4. Cash flow hedging reserves (effective portion of cash flow hedging profit and loss)			
Adjustment amount converted into initial recognition amount of hedged item			
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal			
5. Translation difference of foreign currency statements	-5,207,921.22		-5,207,921.22
Less: Those transferred to the current profit or loss but previously included in other comprehensive income			
Subtotal	-5,207,921.22		-5,207,921.22
6. Others			
Less: Those transferred to the current profit or loss but previously transferred to other comprehensive income			
Subtotal			
III. Total other comprehensive income	-38,268,040.73	516,924.67	-38,784,965.40

65. Cash flow statement

(1) Supplementary information of consolidated cash flow statement

Item	Amount in current period	Amount in previous period
1. Adjustment from net profits to cash flows from operating activities		
Consolidated net profits	855,836,301.70	1,714,855,415.43
Add: Provision for impairment of assets	67,328,019.91	90,297,250.97
Impairment loss of credit (New financial standards)	-16,406,366.59	249,225,499.01
Depreciation of fixed assets, oil and gas assets and productive biological assets	529,787,639.57	511,424,490.94
Depreciation of right-of-use assets	27,111,615.52	26,236,896.14
Amortization of intangible assets	75,098,908.73	49,590,281.63
Amortization of long-term deferred expenses	67,368,150.65	46,593,402.12
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")	-32,820,050.73	-149,287,837.94
Losses on scrap of fixed assets (gains marked with "-")	1,059,308.99	7,636,212.54
Losses on changes in fair value (gains marked with "-")	-185,051,542.55	-254,883,605.04
Financial expenses (gains marked with "-")	3,784,562,348.31	4,078,580,555.89
Investment losses (gains marked with "-")	-531,370,368.97	-1,062,333,058.68
Decrease in deferred tax assets (increase marked with "-")	40,769,647.00	-57,119,121.15
Increase in deferred tax liabilities (decrease marked with "-")	20,591,030.04	45,259,988.64
Decrease in inventories (increase marked with "-")	-1,320,388,372.27	-3,161,026,613.48
Decrease in operating receivables (increase marked with "-")	-26,826,401,706.96	15,329,335,591.30
Increase in operating payables (decrease marked with "-")	22,049,218,820.77	-14,636,927,855.46
Others	-5,471.01	837,793.23
Net cash flow from operating activities	-1,393,712,087.89	2,828,295,286.09
2. Significant investing and financing activities that do not involve cash receipts and payment		
Transfer of debt to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net change in cash and cash equivalents		
Closing balance of cash	8,597,485,256.43	10,809,663,109.68
Less: Opening balance of cash	10,809,663,109.68	10,299,508,055.54
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-2,212,177,853.25	510,155,054.14

(2) Cash and cash equivalents

Item	Closing balance	Opening balance
Cash	8,597,485,256.43	10,809,663,109.68
Including: Cash on hand	3,177,008.06	2,426,439.84
Bank deposits readily available for payment	8,480,913,454.02	10,682,109,549.09
Other cash and cash equivalents readily available for payment	113,394,794.35	125,127,120.75
Central bank deposits available for payment		
Deposits in other banks		
Interbank loans		
Cash equivalents		
Including: Bond investment maturing within three months		
Closing balance of cash and cash equivalents	8,597,485,256.43	10,809,663,109.68
Including: Restricted cash and cash equivalents used by parent company and subsidiaries of the Group		

66. Foreign currency monetary items

Item	Closing foreign currency balance	Conversion exchange rate	Converted RMB balance at the end of the period
Cash and cash equivalents			30,984,118.95
Including: USD	4,448,401.94	6.96	30,981,340.15
HKD	3,110.82	0.89	2,778.80
Accounts receivable			11,975,715.85
Including: USD	1,719,512.37	6.96	11,975,715.85
Accounts payable			5,392,642.98
Including: USD	774,293.28	6.96	5,392,642.98
Other payables			142,774.30
Including: USD	20,500.00	6.96	142,774.30
Bonds payable			3,147,382,687.75
Including: USD	451,911,479.16	6.96	3,147,382,687.75

67. Assets with restricted ownership

Item	Closing book value	Reasons for restriction
Cash and cash equivalents	722,666,320.75	Note 1
Accounts receivable	1,344,873,787.33	Bank loan pledge
Construction in progress	1,172,152,486.14	Bank loan collateral
Notes receivable	836,081.92	Notes receivable with outstanding discounted endorsements
Receivables financing	157,423,165.35	Issuance of promissory note pledge
Fixed assets	133,585,272.43	Real estate mortgage loan

Item	Closing book value	Reasons for restriction
Intangible assets	77,214,292.91	Land use right mortgage loan
Long-term equity investments	368,553,246.77	Bank loan pledge
Total	3,977,304,653.60	

Note 1: The reasons for the restriction of cash and cash equivalents are indexed to Notes VIII. 1. (2) Details of Restricted cash and cash equivalents.

IX. Contingencies

1. The Group's guarantees for other units as of December 31st, 2022

None.

2. Pending litigation, arbitration formation of the Group as of December 31st, 2022

(1) 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. (hereinafter referred to as "Dalian Friendship"). In May 2016, Friendship Group entered into an agreement with 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. ("Wuxin Investment Holdings"), a subsidiary established by Investment Group and Kaisheng Economic and Trade. 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 Investment Group and Kaisheng Economic and 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) Liaoning 02 Civil First Instance No. 949 of the First Instance, awarding Wuxin Investment Holdings to pay the outstanding transaction consideration together with the corresponding interest to Friendship Group. In April 2021, the Liaoning High People's Court handed down its second instance judgment, upholding the original verdict.

Investment Group considered that the above judgment exceeded the original contract agreement and was not based on facts, and that there was an infringement of state assets, and that according to the agreement, the contract was valid for two years, which had in fact exceeded the performance period. Wuxin Investment Holdings, Investment Group and Kaisheng Economy and Trade submitted a "Petition for Retrial" to the Supreme People's Court and received the "Acceptance Notification" on July 16th, 2021. The case has now been organized for trial in December 2021 and the Supreme People's Court issued a ruling on March 28th, 2022 halting the original execution and appointing the Liaoning Provincial High Court to

retry the case. In March 2023, the Liaoning Provincial High Court issued a ruling after hearing, revoking the original first and second instance judgments and remanding to the Dalian City Intermediate Court for retrial.

(2) Hubei Wuhan Xinxiuli Slimming Beauty Co., Ltd., Wuhan Xinbaohui Trading Co., Ltd.

Both Hubei Wuhan Xinxiuli Slimming Beauty Co., Ltd. and Wuhan Xinbaohui Trading Co., Ltd. entered into loan contracts with Huaxia Bank, Wuhan Credit Risk Management Co., Ltd. (hereinafter referred to as "Credit Risk Company") provided guarantees for each of the two companies. In addition, companies such as Wuhan Jiang'an Taizi Delicacy Co., Ltd. (hereinafter referred to as "Jiang'an Taizi Company"), Wuhan Donghu Prince Food Co., Ltd. (hereinafter referred to as "Donghu Prince Company") and Wuhan Kang Long Tai Zi Restaurant Co., Ltd. (hereinafter referred to as "Kanglong Taizi Company") provide counter-guarantees and assume joint and several guarantee liability.

Credit Risk Company has settled the debts to Huaxia Bank on behalf of Hubei Wuhan Xinxiuli Slimming Beauty Co., Ltd. and sued the debtor and the counter-guarantee guarantor in court to settle the substitution amount of RMB 20,221,277.78.

Credit Risk Company has settled the debts to Huaxia Bank on behalf of Wuhan Xinbaohui Trading Co., Ltd. and sued the debtor and the counter-guarantee guarantor in court to settle the substitution amount of RMB 187,933.65 and the guarantee fee of RMB 300,000.00.

Currently, the above two cases are in litigation proceedings.

(3) Wuhan Donghu Prince Food Co., Ltd.

Donghu Prince Company entered into a loan contract with Hankou Bank and was guaranteed by Credit Risk Company. In addition, companies such as Jiang'an Taizi Company, Kanglong Taizi Company and Donghu Prince Company provide counter-guarantees and assume joint and several guarantee liability.

Credit Risk Company has settled the debts to Hankou Bank on behalf of Donghu Prince Company and sued the debtor and the counter-guarantee guarantor in court to settle the substitution amount of RMB 2,160,503.78 and the guarantee fee of RMB 399,500.00.

Currently, the case is in litigation proceedings.

(4) Wuhan Kang Long Tai Zi Restaurant Co., Ltd.

Wuhan Kang Long Tai Zi Restaurant Co., Ltd. entered into a loan contract with China Everbright Bank Co., Ltd., which was guaranteed by Wuhan Credit Financing Guarantee (Group) Co., Ltd. (hereinafter referred to as "Guarantee (Group) Company"). In addition, companies

such as Jiang'an Taizi Company and Donghu Prince Company provide counter-guarantees and assume joint and several guarantee liability.

Guarantee (Group) Company has settled the debts to China Everbright Bank on behalf of Wuhan Kang Long Tai Zi Restaurant Co., Ltd. and sued the debtor and the counter-guarantee guarantor in court to settle the substitution amount of RMB 12,100,000.

Currently, the case is in litigation proceedings.

(5) Wuhan Construction Prince Food Co., Ltd.

Wuhan Construction Prince Food Co., Ltd. (hereinafter referred to as "Construction Prince Company") has signed a loan contract with China Merchants Bank, and Wuhan SME Credit Guarantee Co., Ltd. (hereinafter referred to as "SME Credit Guarantee") provides guarantees for it. In addition, companies such as Jiang'an Taizi Company and Donghu Taizi Company provide counter-guarantees and assume joint and several guarantee liability.

SME Credit Guarantee has settled the debts to China Merchants Bank on behalf of Construction Prince Company and sued the debtor and the counter-guarantee guarantor in court to settle the substitution amount of RMB 2,374,124.28 and the guarantee fee of RMB 320,000.

Currently, the case is in litigation proceedings.

Apart from the existence of the above contingencies, the Group has no other material contingencies as at December 31st, 2022.

X. Events after the balance sheet date

1. At the first meeting of the ninth session of the Board of Directors of Hangjin Technology, a subsidiary of the Group, held on April 26th, 2023, the proposal of profit distribution for 2022 was considered and approved. With the total existing share capital of 679,156,000 shares as the base, a cash dividend of RMB 0.60 per 10 shares (tax included) will be distributed to all shareholders, with an estimated cash dividend of RMB 40,749,400; no capital reserve will be transferred and no bonus shares will be sent. The above dividend distribution proposal shall be submitted to the 2022 annual general meeting of the Company for consideration and approval before implementation.

2. In order to support the future business development of the subsidiaries, the Company transferred the current receivables of RMB 1.675 billion from Development Investment Company and its subsidiaries to capital injection into Development Investment Company.

XI. Related party relationships and transactions

1. Related party relationships

(1) Controlling shareholders and ultimate controlling party

The controlling shareholder and ultimate controlling party of the Company is 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 Investment Co., Ltd.	Wuhan	Investment and development	14,400,000,000.00	100.00	100.00
Wuhan Communications Construction Investment Co., Ltd.	Wuhan	Construction and management of transportation infrastructure projects	353,000,000.00	100.00	100.00
Wuhan State-owned Industry Investment Co., Ltd.	Wuhan	Investment and development	519,198,107.00	100.00	100.00
Wuhan Construction Investment Co., Ltd.	Wuhan	Local construction investment and development	300,000,000.00	100.00	100.00
Wuhan Yangtze River Economy United Development Co., Ltd.	Wuhan	Investment and development	408,858,118.00	93.11	93.11
Wuhan Yangluo Development Co., Ltd.	Wuhan	Investment in development zone construction	555,000,000.00	100.00	100.00
Wuhan Financial Assets Exchange Co., Ltd.	Wuhan	Financial assets trading and consulting	120,000,000.00	75.00	75.00
Wuhan Changjiang Financial Service Co., Ltd.	Wuhan	Financial information and data processing service; Financial software technology development, etc.	300,000,000.00	80.00	80.00
Wuhan Rongwei Escort Security Service Co., Ltd.	Wuhan	Provision of escort and vault guarding services to financial institutions for cash, securities, gold, silver, jewelry and other valuables	260,000,000.00	100.00	100.00
Guotong Trust Co., Ltd.	Wuhan	Fund trust; trusts for movable property; trusts for immovable property; trusts for marketable securities; trusts for other property or property rights	4,158,374,776.08	75.00	75.00
Wuhan Changjiang Asset Operation Management Co., Ltd.	Wuhan	Various types of asset acquisition, asset disposal and related industrial investment; enterprise and asset trust management, etc.	144,200,000.00	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 of leased property and disposal business, etc.	4,000,000,000.00	49.00	49.00
Wuhan Changjiang International Trade	Wuhan	Sales of non-metallic minerals and products; sales of chemical	8,000,000,000.00	100.00	100.00

Name of subsidiaries	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)
Group Co., Ltd.		products, etc.			
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 relevant information in Note VIII. 14. "Long-term equity investments".

(4) Other related parties

Type of related party relationships	Name of related party	Main transaction content
1. 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-party transactions
	Wuxin Investment Holding (Shenzhen) Co., Ltd.	Related-party transactions
	Wuxin Industrial Development (Shenzhen) Co., Ltd.	Related-party transactions
	Wuhan Guofa Investment Management Group Corporation	Related-party transactions
	Wuhan Shanglian (Group) Co., Ltd.	Related-party transactions
	Wuhan Haneagle Real-Estate Development Company Limited	Related-party transactions
	Wuhan STATE-OWNED Assets Management Limited Company	Related-party transactions
	Wuhan Stationery Development Company	Related-party transactions
	Wuhan Diansheng Real Estate Development Co., Ltd.	Related-party transactions
	Hubei Diantong Investment Co., Ltd.	Related-party transactions
	Jilin Hongcheng Automobile Sales Service Co., Ltd.	Related-party transactions
	Jilin Xinhongcheng Logistics Co., Ltd.	Related-party transactions
	Tianjin Port Free Trade Zone Musen Logistics Co., Ltd.	Related-party transactions
	Wuhan Cold Storage Logistics Management Co., Ltd.	Related-party transactions
	Wuhan Ayd Furniture Street Co., Ltd.	Related-party transactions
	Hubei Hailian Investment Co., Ltd.	Related-party transactions

Type of related party relationships	Name of related party	Main transaction content
	Wuhan Public Investment Co., Ltd.	Related-party transactions
	Wuhan Zhongnan Kitchenware Co., Ltd.	Related-party transactions
	Wuhan Xuanding Construction Industrial Investment Co., Ltd.	Related-party transactions
	Wuhan Sun Property Development Co., Ltd.	Related-party transactions
	Hubei Jiupai Venture Capital Co., Ltd.	Related-party transactions
	Huang Jingui	Related-party transactions
	Guoyan	Related-party transactions
	Zhang Guoli	Related-party transactions
	Zengmin	Related-party transactions
	Xiao Jianbin	Related-party transactions
	Yin Gangjian	Related-party transactions

2. Related party transactions

(1) Related guarantees

Guarantor	Guaranteed entity	Total amount guaranteed (RMB 10,000)	Overdue amount	Status of the guaranteed entity
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Development Investment Co., Ltd.	2,565,396.67		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Yangtze River Economy United Development Co., Ltd.	22,000.00		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	194,989.48		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Yangluo Port Services Co., Ltd.	163,773.18		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	512,273.00		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Jinkong NEV Leasing Co., Ltd.	174,230.17		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Credit Risk Management Financing Guarantee Co., Ltd.	765,401.05		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Hubei Financial Leasing Co., Ltd.	280,000.00		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Guotong Trust Co., Ltd.	40,000.00		In normal operation
Wuhan Sifang Transportation Logistics Co., Ltd.	Wuhan Changfa Yonglai Cold Chain Logistics Co., Ltd.	3,200.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Financial Holdings (Group) Co., Ltd.	100,000.00		In normal operation

Guarantor	Guaranteed entity	Total amount guaranteed (RMB 10,000)	Overdue amount	Status of the guaranteed entity
Wuhan Development Investment Co., Ltd.	Wuhan Xinneng Industrial Development Co., Ltd.	87,617.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Credit Risk Management Financing Guarantee Co., Ltd.	260,500.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Electric Power Development Co., Ltd.	15,000.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Finance Leasing Co., Ltd.	43,841.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Credit Development Investment Management Co., Ltd.	100,000.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Changjiang Optical Communication Industry Co., Ltd.	18,000.00		In normal operation
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	Wuhan Financial Holding Lingrui Trading Co., Ltd.	15,114.68		In normal operation
Wuhan Yangluo Port Services Co., Ltd.	Wuhan Grain Logistics Industry Investment Co., Ltd.	600.00		In normal operation
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Financial Holding Hualiang (Hubei) Grain Logistics Co., Ltd.	30,200.00		In normal operation
Wuhan Rongwei Escort Security Service Co., Ltd.	Wuhan Rongwei Automobile Service Co., Ltd.	350.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Grain and Oil Reserves Co., Ltd.	5,000.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Youyi Non-Staple Food Commerce Co., Ltd.	17,000.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	WuHan Foods StockPile Co., Ltd.	10,600.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd.	7,500.00		In normal operation

3. Related-party balances

(1) Receivables from related parties

Name and type of related party	End of the period		Beginning of the period	
	Closing balance	Provision for bad debts	Opening balance	Provision for bad debts
Joint ventures and associates	130,000,000.00	51,274,985.09	152,000,000.00	53,563,108.53
Including: Wuhan Industrial Investment Asset Management Co., Ltd.	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	50,000,000.00	852,116.70	102,000,000.00	3,563,108.53
Wuhan Economic and Technological Development Zone Industrial Investment Zhizheng Small Loan Co., Ltd.	30,000,000.00	422,868.39		
Total	130,000,000.00	51,274,985.09	152,000,000.00	53,563,108.53

(2) Other receivables from related parties

Name and type of related party	End of the period	Beginning of the period
--------------------------------	-------------------	-------------------------

	Closing balance	Provision for bad debts	Opening balance	Provision for bad debts
Joint ventures and associates	1,971,332,785.89	1,519,681,497.50	2,038,490,650.73	1,520,104,365.89
Including: Wuxin Investment Holding (Shenzhen) Co., Ltd.	1,896,305,674.79	1,495,154,386.40	1,927,463,539.63	1,495,154,386.40
Wuhan Economic and Technological Development Zone Industrial Investment Zhizheng Small Loan Co., Ltd.			30,000,000.00	422,868.39
Wuhan Jiang'an District Changfa Chengxin Microfinance Co., Ltd.	75,027,111.10	24,527,111.10	75,027,111.10	24,527,111.10
Wuhan Chengtong Logistics Co., Ltd.			6,000,000.00	
Other related parties	1,639,344,115.47	1,999,952.59	1,750,779,300.62	236,429,963.19
Including: Dalian Friendship (Group) Co., Ltd.	305,061,966.66	1,999,952.59	234,254,794.52	1,999,952.59
Wuxin Industrial Development (Shenzhen) Co., Ltd.	4,018,058.81		503,262,916.10	234,430,010.60
Wuhan STATE-OWNED Assets Management Limited Company	799,227,790.00		1,013,261,590.00	
Wuhan Shanglian (Group) Co., Ltd.	531,036,300.00			
Total	3,610,676,901.36	1,521,681,450.09	3,789,269,951.35	1,756,534,329.08

(3) Other payables of related parties

Name and type of related party	Closing balance	Opening balance
Controlling shareholder	53,982,000.00	53,982,000.00
Including: State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government	53,982,000.00	53,982,000.00
Joint ventures and associates	89,204,413.48	89,204,413.48
Including: Wuhan High-tech Thermal Power Co., Ltd.	201,027.81	201,027.81
Wuhan Yijing Jiangnan Real Estate Co., Ltd.	89,003,385.67	89,003,385.67
Other related parties	241,707,654.84	244,158,302.07
Including: Wuhan Goodfast Holding Group Ltd.	5,702,654.84	7,201,904.84
Wuhan Haneagle Real-Estate Development Company Limited	236,005,000.00	236,956,397.23
Total	384,894,068.32	387,344,715.55

XII. Notes to key items of the financial statements of the parent company

1. Accounts receivable

(1) Disclosure of accounts receivable by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)		
1-2 years		
2-3 years		
Over 3 years	30,754.00	30,754.00

Aging	Closing balance	Opening balance
Subtotal	30,754.00	30,754.00
Less: Provision for bad debts	30,754.00	30,754.00
Total		

(2) Disclosure of accounts receivable by method of provision for bad debts

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Accounts receivable for which bad debt provision is made on an individual basis					
Accounts receivable for which bad debt provision is made on a portfolio basis	30,754.00	100.00	30,754.00	100.00	
Total	30,754.00	—	30,754.00	—	

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Accounts receivable for which bad debt provision is made on an individual basis					
Accounts receivable for which bad debt provision is made on a portfolio basis	30,754.00	100.00	30,754.00	100.00	
Total	30,754.00	—	30,754.00	—	

Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics

Portfolio name	Closing balance			Opening balance		
	Book balance	Accrual ratio (%)	Provision for bad debts	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	30,754.00	100.00	30,754.00	30,754.00	100.00	30,754.00
Total	30,754.00	100.00	30,754.00	30,754.00	100.00	30,754.00

(3) Closing accounts receivable grouped by party in arrears

Name of debtor	Book balance	As a percentage of the total accounts receivable (%)	Provision for bad debts
Wuhan Chensheng Mining Investment Co., Ltd.	30,754.00	100.00	30,754.00
Total	30,754.00	100.00	30,754.00

2. Other receivables

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	6,527,542,760.99	4,398,517,268.80
Total	6,527,542,760.99	4,398,517,268.80

(1) Other receivables

1) Disclosure of other receivables by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	6,311,233,609.92	4,256,395,238.01
1-2 years	264,200,000.00	395,873.74
2-3 years	395,873.74	124,860.51
Over 3 years	22,585,410.44	212,473,429.65
Subtotal	6,598,414,894.10	4,469,389,401.91
Less: Provision for bad debts	70,872,133.11	70,872,133.11
Total	6,527,542,760.99	4,398,517,268.80

2) Disclosure of other receivables by bad debt provision method

Type	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Other receivables for which bad debt provision is made on an individual basis	604,400,000.00	9.16	62,608,695.65	10.36	541,791,304.35
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	5,994,014,894.10	90.84	8,263,437.46	0.14	5,985,751,456.64
Total	6,598,414,894.10	--	70,872,133.11	1.07	6,527,542,760.99

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Other receivables for which bad debt provision is made on an individual basis	480,000,000.00		62,608,695.65	13.04	417,391,304.35
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	3,989,389,401.91	89.26	8,263,437.46	0.21	3,981,125,964.45
Total	4,469,389,401.91	--	70,872,133.11	1.59	4,398,517,268.80

Other receivables for which bad debt provision is made on an individual basis

Name of debtor	Book balance	Provision for bad debts	Expected credit loss ratio (%)	Accrual reason
Yulong Group Co., Ltd.	604,400,000.00	62,608,695.65	10.36	DCF model forecast
Total	604,400,000.00	62,608,695.65		

Other receivables with provision for bad debts based on the portfolio of credit risk characteristics

Portfolio name	Closing balance		
	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	18,363,194.36	45.00	8,263,437.46
Portfolio 2 Low-risk portfolio	5,975,651,699.74		
Total	5,994,014,894.10	--	8,263,437.46

(Continued)

Portfolio name	Opening balance		
	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	18,363,194.36	45.00	8,263,437.46
Portfolio 2 Low-risk portfolio	3,971,026,207.55		
Total	3,989,389,401.91	--	8,263,437.46

3) Bad debt provision for other receivables accrued, recovered or transferred during the period

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) for the entire duration	Expected credit losses (credit impairment has occurred) throughout the entire duration	
Opening balance			70,872,133.11	70,872,133.11
Opening balance in the current period				
- Transferred to stage 2				
- Transferred to Stage 3				
- Transferred back to Stage 2				
- Transferred back to stage 1				
Accrued in the current period				
Reversal during the period				
Charge-offs during the period				
Write-offs during the period				
Other changes				
Closing balance			70,872,133.11	70,872,133.11

4) Other receivables of the top five closing balances, grouped by party in arrears

Name of debtor	Nature of payment	Book balance	Aging	As a percentage of the total other accounts receivable (%)	Provision for bad debts
Wuhan Development Investment Co., Ltd.	Related-party transactions	4,545,147,264.61	Within 1 year	68.88	
Yulong Group Co., Ltd.	External transactions	604,400,000.00	Within 1 year, over 3 years	9.16	62,608,695.65
Hubei Science Technology Investment Group Co., Ltd.	External transactions	500,000,000.00	Within 1 year	7.58	
Wuhan Changjiang Financial Service Co., Ltd.	Related-party transactions	294,068,000.00	Within 1 year	4.46	
Wuhan Credit Risk Management Financing Guarantee Co., Ltd.	Related-party transactions	288,424,302.40	Within 1 year	4.37	

Name of debtor	Nature of payment	Book balance	Aging	As a percentage of the total other accounts receivable (%)	Provision for bad debts
Total		6,232,039,567.01		94.45	62,608,695.65

3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Investment in subsidiaries	31,720,427,331.37	5,676,909,703.38	3,834,774,729.53	33,562,562,305.22
Investment in joint ventures				
Investments in associates	4,432,101,471.51	37,062,734.06	48,245,560.80	4,420,918,644.77
Subtotal	36,152,528,802.88	5,713,972,437.44	3,883,020,290.33	37,983,480,949.99
Less: Provision for impairment of long-term equity investments				
Total	36,152,528,802.88	5,713,972,437.44	3,883,020,290.33	37,983,480,949.99

(2) Details of long-term equity investments

Investee	Investment costs	Opening balance	Changes in current year				Changes in current year				Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Others		
1. Subsidiaries	32,921,642,514.39	31,720,427,331.37	5,676,909,703.38	3,834,774,729.53							33,562,562,305.22	
Wuhan Development Investment Co., Ltd.	15,190,718,826.76	14,690,718,826.76	500,000,000.00								15,190,718,826.76	
Wuhan State-owned Industry Investment Co., Ltd.	457,044,468.03	457,044,468.03									457,044,468.03	
Wuhan Yangtze River Economy United Development Co., Ltd.	442,674,255.45	442,674,255.45									442,674,255.45	
Wuhan Communications Construction Investment Co., Ltd.	408,351,937.63	408,351,937.63									408,351,937.63	
Wuhan Construction Investment Co., Ltd.	320,821,965.54	320,821,965.54									320,821,965.54	
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	831,000,000.00	831,000,000.00		831,000,000.00								
Wuhan Changjiang Asset Operation Management Co., Ltd.	202,917,893.25	202,917,893.25									202,917,893.25	
Wuhan Rongwei Escort Security Service Co., Ltd.	270,643,110.29	270,643,110.29									270,643,110.29	
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	3,000,000,000.00	2,000,000,000.00	1,000,000,000.00	3,000,000,000.00								
Wuhan Yangluo Development Co., Ltd.	553,426,881.58	553,426,881.58									553,426,881.58	

Investee	Investment costs	Opening balance	Changes in current year					Changes in current year			Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Others		
Guotong Trust Co., Ltd.	8,852,799,715.00	9,174,763,105.61									9,174,763,105.61	
Wuhan Financial Assets Exchange Co., Ltd.	60,000,000.00	60,000,000.00									60,000,000.00	
Wuhan Trade State-owned Holding Group Co., Ltd.	615,223,216.33	615,223,216.33									615,223,216.33	
Wuhan Changjiang Financial Service Co., Ltd.	212,245,515.00	220,714,836.97									220,714,836.97	
Hubei Financial Leasing Co., Ltd.	1,470,000,000.00	1,470,000,000.00									1,470,000,000.00	
Wuhan International Exchange Service Co., Ltd.	2,126,833.93	2,126,833.93		2,126,833.93								
Wuhan Changjiang International Trade Group Co., Ltd.	30,000,000.00		4,175,261,807.78								4,175,261,807.78	
Wuhan Housing Guarantee Co., Ltd.	1,647,895.60		1,647,895.60									
II. Associates	2,526,120,776.27	4,432,101,471.51			-45,015,043.00	-4,211,879.50	86,289,656.56	48,245,560.80			4,420,918,644.77	
China Eastern Airlines Wuhan Co., Ltd.	847,409,126.97	617,890,755.71			-252,177,450.76	-5,118,429.04					360,594,875.91	
Hankou Bank Co., Ltd.	1,457,984,536.00	3,502,331,153.80			192,392,343.29	1,032,525.95	82,932,656.90	47,204,499.90			3,731,484,180.04	
Wuhan Yangtze Communications Industry Group Co., Ltd.	130,213,327.22	240,264,634.29			17,942,114.68	-124,417.23	3,348,537.30	1,041,060.90			260,389,808.14	
Wuhan Yangtze LED Lighting Technology Co., Ltd.	50,000,000.00	25,256,566.90			-371,190.04						24,885,376.86	

Investee	Investment costs	Opening balance	Changes in current year					Changes in current year			Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision on impairment	Others		
Y.U.D. Yangtze River Investment Industry Co., Ltd.	40,513,786.08	46,358,360.81			-2,800,860.17	-1,559.18	8,462.36				43,564,403.82	
Total	35,447,763,290.66	36,152,528,802.88	5,676,909,703.38	3,834,774,729.53	-45,015,043.00	-4,211,879.50	86,289,656.56	48,245,560.80			37,983,480,949.99	

4. Operating income and operating costs

Item	Amount in current period		Amount in previous period	
	Income	Cost	Income	Cost
(1) Subtotal of main businesses	495,466,537.24		646,155,439.90	
Including: Income from financial services	495,466,537.24		618,641,240.85	
Income from asset management			24,735,849.05	
Interest income on loans			2,778,350.00	
(2) Subtotal of other businesses	3,976,333.47		4,164,927.18	
Including: Rental income	1,921,396.80		1,868,598.69	
Partnership management fees	2,054,936.67		2,296,328.49	
Total	499,442,870.71		650,320,367.08	

5. Investment income

Source of investment income	Amount in current period	Amount in previous period
Income arising from long-term equity investments under the equity method	-45,015,043.00	41,627,367.27
Investment income on long-term equity investments accounted for under the cost method		223,250,300.00
Investment income on other non-current financial assets during the holding period	8,509,481.52	3,827,651.83
Investment income from disposal of financial assets held for trading	2,226,978.56	
Others	8,226.85	4,918,256.42
Total	-34,270,356.07	273,623,575.52

6. Parent company's cash flow statement

(1) Supplementary information of parent company's cash flow statement

Item	Amount in current period	Amount in previous period
1. Adjustment from net profits to cash flows from operating activities		
Net profits	-962,112,357.47	-57,708,702.12
Add: Provision for impairment of assets		
Impairment loss of credit assets	-4,188,969.20	62,608,695.65
Depreciation of fixed assets, oil and gas assets and productive biological assets	2,006,280.02	6,256,624.14
Depreciation of right-of-use assets		
Amortization of intangible assets	707,964.61	58,997.05
Amortization of long-term deferred expenses		
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")		-216,578.87
Losses on scrap of fixed assets (gains marked with "-")		
Losses on changes in fair value (gains marked with "-")	-225,800,454.82	184,931,345.43

Item	Amount in current period	Amount in previous period
Financial expenses (gains marked with "-")	1,262,677,798.34	676,352,064.41
Investment losses (gains marked with "-")	34,270,356.07	-273,623,575.52
Decrease in deferred tax assets (increase marked with "-")		
Increase in deferred tax liabilities (decrease marked with "-")		
Decrease in inventories (increase marked with "-")		
Decrease in operating receivables (increase marked with "-")	-2,129,025,092.16	-510,853,507.73
Increase in operating payables (decrease marked with "-")	1,664,429,120.03	2,331,364,726.77
Others		
Net cash flow from operating activities	-357,035,354.58	2,419,170,089.21
2. Significant investing and financing activities that do not involve cash receipts and payment		
Transfer of debt to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net change in cash and cash equivalents		
Closing balance of cash	1,262,992,005.55	2,908,492,908.51
Less: Opening balance of cash	2,908,492,908.51	2,699,519,184.19
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-1,645,500,902.96	208,973,724.32

(2) Cash and cash equivalents of the parent company

Item	Closing balance	Opening balance
Cash	1,262,992,005.55	2,908,492,908.51
Including: Cash on hand		
Bank deposits readily available for payment	1,249,329,925.54	2,898,172,425.06
Other cash and cash equivalents readily available for payment	13,662,080.01	10,320,483.45
Central bank deposits available for payment		
Deposits in other banks		
Interbank loans		
Cash equivalents		
Including: Bond investment maturing within three months		
Closing balance of cash and cash equivalents	1,262,992,005.55	2,908,492,908.51
Including: Restricted cash and cash equivalents used by parent company and 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 2022 have been approved by the Company's Board of Directors.

Wuhan Financial Holdings (Group) Co., Ltd.

April 28th, 2023





营业执照

(副本)

统一社会信用代码 914201110744527472

名称 信永中和会计师事务所（特殊普通合伙）武汉分所

类型 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

成立日期 2013年07月17日

再次复印无效

营业期限 长期

经营范围 审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；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。
（依法须经批准的项目，经相关部门批准后方可开展经营活动）



登记机关



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）

2018年12月05日

证书序号: 5000915

说明

- 1、《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。
- 2、《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。
- 3、《会计师事务所分所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、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书》。



发证机关:

中华人民共和国财政部制

再次复印无效



会计师事务所分所 执业证书

名称: 信永中和会计师事务所(特殊普通合伙) 武汉分所

负责人: 朱华

经营场所: 武汉市汉阳区徐东大街111号19楼

分所执业证书编号: 110101360201

批准执业文号: 鄂财公发(2013)15号

批准执业日期: 2013年11月15日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

刘克勤/420000773032
2020年已通过



月 m
日 d

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.

刘克勤/420000773032
2021年已通过



月 m
日 d



刘克勤
男
1963-08-01
信永中和会计师事务所(特
殊普通合伙)武汉分所
427431196308012539

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.



刘克勤/420000773032
2019年已通过



年 月 日
m d

再次复印无效

证书编号:
No. of Certificate

420000773032

批准注册协会:
Authorized Institute of CPAs

发证日期:
Date of Issuance

1997 03 16
年 月 日
m d

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.

 胡静 (420000974743) 2020年已通过	
--	---

月 m
日 d

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.

 胡静 (420000974743) 2021年已通过	
--	---

月 m
日 d

再次复印无效



姓名 胡静
性别 女
出生日期 1971-11-26
工作单位 信永中和会计师事务所（特殊普通合伙）武汉分所
执业证书号 42010519711125364X



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.

 胡静 (420000974743) 2019年已通过	
--	---

月 m
日 d

证书编号: 420000974743
No. of Certificate
批准注册协会: 湖北注册会计师协会
Authorized Institute of CPAs
发证日期: 2006 09 19
Date of Issuance

Wuhan Financial Holdings (Group) Co., Ltd.

FY 2023

Auditor's Report

Index	Page
Auditor's Report	
Financial Statements of the Company	
- Consolidated Statement of Financial Position	1-2
- Parent Company's Statement of Financial Position	3-4
- Consolidated Income Statement	5
- Parent Company's Income Statement	6
- Consolidated Cash Flow Statement	7
- Parent Company's Cash Flow Statement	8
- Consolidated Statement of Changes in Shareholders' Equity	9-10
- Parent Company's Statement of Changes in Shareholders' Equity	11-12
- Notes to the Financial Statements	13-192



信永中和会计师事务所
武汉分所

ShineWing
certified public accountants
Wuhan branch

武汉市洪山区徐东大街 73 号
能源大厦 20 层

20/F, Nengyuan Building, No.73,
Xudong Street, Hongshan District,
Wuhan, 430077, P. R. China

联系电话: +86 (027) 5975 9900
telephone: +86 (027) 5975 9900

传真: +86 (027) 5975 9922
facsimile: +86 (027) 5975 9922

Auditor's Report

XYZH/2024WHAS1B0365

Wuhan Financial Holdings (Group) Co., Ltd.

Wuhan Financial Holdings (Group) Co., Ltd.:

I. Audit opinion

We have audited the financial statements of Wuhan Financial Holdings (Group) Co., Ltd. (hereinafter referred to as "the Company"), including the Consolidated and Parent Company's Statement of Financial Position as at December 31st, 2023, Consolidated and Parent Company's Income Statement, Consolidated and Parent Company's Cash Flow Statement, Consolidated and Parent Company's Statement of Changes in Shareholders' Equity for 2023, and the Notes to the Financial Statements.

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 consolidated and the parent company's financial position of the Company as at December 31st, 2023, and the consolidated and the parent company's operating results and cash flows of 2023.

II. Basis for the audit opinion

We have conducted our audits in accordance with the Chinese Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. In accordance with the Code of Professional Ethics of Chinese Certified Public Accountants, we are independent of the Company 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 for the financial statements

The management of the Company (hereinafter referred to as "the Management") is responsible for the preparation of the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair presentation, and

designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

IV. Auditor's responsibilities for the audit of the financial statements

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

During the course of the audit in accordance with auditing standards, we exercise professional judgement and maintain professional skepticism. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for expressing audit opinions. 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
4. Draw a conclusion on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of users of the financial statements to the relevant disclosures in the financial statements in our auditor's report or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on information available as of the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content (including disclosures) of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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.

ShineWing Certified Public Accountants LLP



Wuhan, China

Chinese Certified Public Accountant:

(Engagement partner)



Chinese Certified Public Accountant:



April 28th, 2024

Consolidated Statement of Financial Position

December 31st, 2023

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

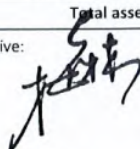
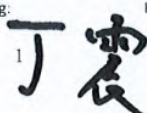
Unit: RMB

Item	Note	Closing balance	Opening balance
Current assets:		---	---
Cash and cash equivalents	VIII.1	12,582,589,675.28	9,320,151,577.18
△Provision of settlement funds	VIII.2	385,347,433.90	
△Lending to banks and other financial institutions	VIII.3	700,432,937.70	1,047,855,034.75
Financial assets held for trading	VIII.4	10,919,743,145.04	5,013,003,374.19
☆Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	VIII.5	461,860,267.76	810,610,786.12
Accounts receivable	VIII.6	3,401,108,726.68	2,113,255,844.32
Receivables financing	VIII.7	25,788,239.92	59,494,897.71
Prepayments	VIII.8	8,901,915,111.70	6,115,772,330.80
△Receivable premium			
△Cession premium receivable			
△Provision of cession receivable			
Centralized receivables			
Other receivables	VIII.9	10,257,086,559.88	11,897,168,446.36
Including: Dividends receivable		3,332,665.60	3,332,665.60
△Buying back the sale of financial assets	VIII.10	360,377,915.94	779,429,589.03
Inventories	VIII.11	15,356,381,550.08	13,819,392,840.92
Including: Raw materials	VIII.12	217,392,845.24	221,300,045.05
Goods in stock (finished goods)		9,593,546,214.91	8,429,560,577.20
Contract assets			
Assets held for sale			
Non-current assets due within one year	VIII.12	23,833,222,201.57	17,791,444,471.44
Other current assets	VIII.13	28,150,984,774.87	27,268,977,888.34
Total current assets		115,336,838,540.32	96,036,557,081.16
Non-current assets:		---	---
△Loans and advances	VIII.14	1,032,959,485.75	485,833,732.81
Debt investments	VIII.15	8,069,469,838.17	7,576,393,832.38
☆Available-for-sale financial assets			
Other debt investments	VIII.16	5,501,983,704.81	715,185,916.31
☆Held-to-maturity investments			
Long-term receivables	VIII.17	31,115,847,611.85	30,284,405,201.21
Long-term equity investments	VIII.18	10,050,098,649.97	10,089,041,846.64
Investments in other equity instruments	VIII.19	6,624,160,183.28	6,547,308,395.00
Other non-current financial assets	VIII.20	3,693,783,639.60	3,198,098,547.91
Investment properties	VIII.21	3,562,208,977.93	3,509,532,814.23
Fixed assets	VIII.22	8,433,818,648.91	4,391,255,285.34
Including: Original value of fixed assets		14,310,801,593.03	9,830,684,861.50
Accumulated depreciation		5,824,416,896.62	5,378,740,113.75
Provision for impairment of fixed assets		53,606,152.54	61,306,277.79
Construction in progress	VIII.23	3,771,376,361.25	2,727,438,688.86
Productive biological assets	VIII.24	630,724.14	789,071.87
Oil and gas assets			
Right-of-use assets	VIII.25	175,017,807.92	82,781,959.86
Intangible assets	VIII.26	1,890,277,288.55	1,829,827,992.73
Development expenditures	VIII.27	43,882,224.14	45,354,246.30
Goodwill	VIII.28	7,353,757,110.23	5,371,625,691.49
Long-term deferred expenses	VIII.29	257,488,306.05	81,619,324.10
Deferred tax assets	VIII.30	2,873,788,312.52	2,615,636,414.99
Other non-current assets	VIII.31	1,152,653,236.98	1,216,974,216.59
Including: Special material reserve			
Total non-current assets		95,603,202,112.05	80,769,103,178.62
Total assets		210,940,040,652.37	176,805,660,259.78

Legal representative:

Principal in charge of accounting:

Head of accounting department:


Consolidated Statement of Financial Position (Continued)

December 31st, 2023

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	Note	Closing balance	Opening balance
Current liabilities:		---	---
Short-term loans	VIII.32	16,198,957,722.60	13,650,781,668.76
△ Borrowings from the Central Bank			
△ Borrowing funds	VIII.33	52,957,875,656.76	41,826,352,907.26
Financial liabilities held for trading			
☆ Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	VIII.34	2,559,452,330.55	1,185,754,726.19
Accounts payable	VIII.35	1,112,847,179.68	1,170,582,214.71
Advances from customers	VIII.36	45,283,305.42	139,145,797.18
Contract liabilities	VIII.37	6,875,795,980.69	5,067,603,304.92
△ Sold and repurchase financial asset	VIII.38	2,662,982,501.43	
△ Deposits from customers and interbank			
△ Funds received as agent of stock exchange	VIII.39	1,177,562,025.37	
△ Funds received as agent of stock underwrite			
Employee benefits payable	VIII.40	426,820,635.27	300,120,983.16
Including: Salary payable		347,650,181.53	225,019,393.74
Welfare expenses payable		3,963,252.29	3,955,495.24
#Including: Bonus and welfare funds			
Taxes and fees payable	VIII.41	1,040,107,676.17	921,215,483.86
Including: Taxes payable		987,730,645.07	910,134,169.87
Other payables	VIII.42	11,035,236,242.61	8,018,498,635.05
Including: Dividends payable		258,372,657.02	263,838,924.76
△ Handling charges and commissions payable			
△ Reinsurance accounts payable			
Held-for-trading liabilities			
Non-current liabilities due within one year	VIII.43	25,318,058,519.24	18,099,419,469.62
Other current liabilities	VIII.44	4,096,849,334.07	3,621,801,863.14
Total current liabilities		125,507,829,109.86	94,001,277,053.85
Non-current liabilities:		---	---
△ Provision for insurance contracts			
Long-term loans	VIII.45	28,887,400,161.84	20,651,903,245.69
Bonds payable	VIII.46	14,158,671,534.90	21,467,859,887.28
Including: Preference share			
Perpetual bond			
Lease liabilities	VIII.47	169,205,379.47	78,095,803.17
Long-term payables	VIII.48	5,777,800,233.59	5,338,641,623.21
Long-term employee benefits payable	VIII.49	46,336,463.59	35,633,150.00
Estimated liabilities	VIII.50	228,354,461.36	198,578,403.09
Deferred income	VIII.51	1,503,784,554.30	359,162,142.22
Deferred tax liabilities	VIII.52	234,923,908.26	226,603,392.04
Other non-current liabilities	VIII.52	516,184,693.78	383,806,985.34
Including: authorized reserve fund			
Total non-current liabilities		51,522,661,391.09	48,744,284,632.04
Total liabilities		177,030,490,500.95	142,745,561,685.89
Owners' equity:		---	---
Paid-in capital (or share capital)	VIII.53	8,318,049,395.60	8,318,049,395.60
National capital			
State-owned legal representative capital		8,318,049,395.60	8,318,049,395.60
Collective capital			
Private capital			
Foreign capital			
#Less: Investment returned			
Net Paid-in capital (or share capital)		8,318,049,395.60	8,318,049,395.60
Other equity instruments	VIII.54	3,800,000,000.00	4,200,000,000.00
Including: Preference share			
Perpetual bond		3,800,000,000.00	4,200,000,000.00
Capital reserves	VIII.55	6,900,299,674.00	6,842,282,406.38
Less: Treasury share			
Other comprehensive income	VIII. 76.	-175,138,611.04	-267,930,596.50
Including: Foreign currency translation differences		-33,945,423.19	-30,675,532.31
Special reserve	VIII.56	3,117,081.50	3,117,081.50
Surplus reserves	VIII.57	382,382,923.77	382,382,923.77
Including: Statutory surplus reserve		382,382,923.77	382,382,923.77
Discretionary surplus reserve			
#Reserve funds			
#Enterprise expansion funds			
#Profit distribution to investor			
△ General risk reserve	VIII.58	1,077,537,774.41	961,498,896.45
Undistributed profit	VIII.59	-3,508,453,419.82	-2,488,401,500.12
Total owners' equity attributable to the parent company		16,797,794,818.42	17,950,998,607.08
*Non-controlling interests		17,111,755,333.00	16,109,099,966.81
Total owners' equity		33,909,550,151.42	34,060,098,573.89
Total liabilities and owners' equity		210,940,040,652.37	176,805,660,259.78

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Parent Company's Statement of Financial Position

December 31st, 2023

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	Note	Closing balance	Opening balance
Current assets		—	—
Cash and cash equivalents		1,291,613,654.48	1,262,992,005.55
△Provision of settlement funds			
△Lending to banks and other financial institutions			
Financial assets held for trading			
☆Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Prepayments		4,960,993.72	600,787.79
△Receivable premium			
△Cession premium receivable			
△Provision of cession receivable			
Centralized receivables			
Other receivables	XII.1	7,056,425,850.58	6,527,542,760.99
Including: Dividends receivable			
△Buying back the sale of financial assets			
Inventories		280,034.00	309,518.00
Including: Raw materials			
Goods in stock (finished goods)			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets		8,353,280,532.78	7,791,445,072.33
Non-current assets:		—	—
△Loans and advances			
Debt investments			
☆Available-for-sale financial assets			
Other debt investments			
☆Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	XII.2	41,762,120,304.29	37,983,480,949.99
Investments in other equity instruments		6,101,500,977.98	6,058,469,193.14
Other non-current financial assets		2,055,198,233.00	1,831,694,071.35
Investment properties			
Fixed assets		10,772,755.13	9,986,327.67
Including: Original value of fixed assets		31,943,170.06	33,439,623.68
Accumulated depreciation		21,170,414.93	23,453,296.01
Provision for impairment of fixed assets			
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		2,064,896.74	2,772,861.34
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred tax assets			64,177.50
Other non-current assets		671,567,948.83	702,058,778.11
Including: Special material reserve			
Total non-current assets		50,603,225,115.97	46,588,526,359.10
Total assets		58,956,505,648.75	54,379,971,431.43

Legal representative:

Principal in charge of accounting:

Head of accounting department:

3

Parent Company's Statement of Financial Position (Continued)

December 31st, 2023

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.

Unit: RMB

Item	Note	Closing balance	Opening balance
Current liabilities:		---	---
Short-term loans		4,235,095,270.85	3,901,317,061.90
△ Borrowings from the Central Bank			
△ Borrowing funds			
Financial liabilities held for trading			
* Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		183,751.57	473,273.44
Advances from customers		837,147.64	1,291,687.85
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		20,406,307.59	12,981,196.83
Including: Salary payable		7,403,221.00	
Welfare expenses payable			
# Including: Bonus and welfare funds			
Taxes and fees payable		3,854,391.58	16,256,622.93
Including: Taxes payable		3,769,557.43	15,658,484.87
Other payables		7,239,045,631.34	4,607,817,659.55
Including: Dividends payable			
△ Handling charges and commissions payable			
△ Reinsurance accounts payable			
Held-for-trading liabilities			
Non-current liabilities due within one year		15,283,975,854.87	6,319,800,000.00
Other current liabilities		3,014,082,465.75	3,018,776,986.28
Total current liabilities		29,797,480,821.19	17,878,714,488.78
Non-current liabilities:		---	---
△ Provision for insurance contracts			
Long-term loans		8,100,210,043.18	6,432,209,626.66
Bonds payable		6,870,755,123.90	13,942,398,276.93
Including: Preference share			
Perpetual bond			
Lease liabilities			
Long-term payables		15,000,000.00	15,000,000.00
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Including: authorized reserve fund			
Total non-current liabilities		14,985,965,167.08	20,389,607,903.59
Total liabilities		44,783,445,988.27	38,268,322,392.37
Owners' equity		---	---
Paid-in capital (or share capital)		8,318,049,395.60	8,318,049,395.60
National capital			
State-owned legal representative capital		8,318,049,395.60	8,318,049,395.60
Collective capital			
Private capital			
Foreign capital			
# Less: Investment returned			
Net Paid-in capital (or share capital)		8,318,049,395.60	8,318,049,395.60
Other equity instruments		3,800,000,000.00	4,200,000,000.00
Including: Preference share			
Perpetual bond		3,800,000,000.00	4,200,000,000.00
Capital reserves		6,574,435,779.66	6,497,746,870.44
Less: Treasury share			
Other comprehensive income		-248,872,046.52	-292,912,051.98
Including: Foreign currency translation differences			
Special reserve			
Surplus reserves		382,382,923.77	382,382,923.77
Including: Statutory surplus reserve		382,382,923.77	382,382,923.77
Discretionary surplus reserve			
# Reserve funds			
# Enterprise expansion funds			
# Profit distribution to investor			
△ General risk reserve			
Undistributed profit		-4,652,936,392.03	-2,993,618,098.77
Total owners' equity attributable to the parent company		14,173,059,660.48	16,111,649,039.06
* Non-controlling interests			
Total owners' equity		14,173,059,660.48	16,111,649,039.06
Total liabilities and owners' equity		58,956,505,648.75	54,379,971,431.43

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Consolidated Income Statement
FY 2023

		2023		2022		Item	Note	2023	2022	Unit: RMB	
		Note									
I. Total operating income			80,739,642,471.73	59,640,731,620.23	Less: Non-operating expenses			34,049,039.62	212,119,240.53		
Including: Operating income		VIII. 60.	76,575,668,102.37	55,431,643,402.87	IV. Total profits (Total loss marked with "-")			1,509,102,952.13	1,786,298,259.24		
Interest income		VIII. 61.	3,363,181,977.88	2,579,050,020.41	Less: Income tax expenses		VIII. 75.	687,228,852.72	920,251,593.28		
ΔPremiums earned					V. Net profits (Net loss marked with "-")			821,874,099.41	866,046,665.96		
ΔHandling charges and commissions income		VIII. 62.	800,792,391.48	1,630,038,196.95	(1) Classified by ownership			---	---		
II. Total operating cost			81,732,189,476.52	59,037,938,251.64	Net profits attributable to owners of parent company			789,479,873.74	108,655,346.09		
Including: Operating cost		VIII. 60.	72,698,315,583.18	51,068,038,261.75	*Profit or loss attributable to non-controlling interests			32,384,225.67	757,391,319.87		
ΔInterest expenses		VIII. 61.	1,940,419,268.61	1,626,036,860.67	(2) Classified by business continuity			---	---		
ΔHandling charges and commissions expenses		VIII. 62.	103,318,175.91	30,066,918.04	Net profits from continuing operations			821,874,099.41	866,046,665.96		
ΔSurrender value					Net profits from discontinued operations						
ΔNet expenditure for compensation payments					VI. Net after-tax amount of other comprehensive income			141,670,652.67	-185,818,778.79		
ΔNet withdrawal of insurance liability reserve					The net after-tax amount of other comprehensive income attributable to owners of parent company		VIII. 76.	92,791,985.46	-188,790,010.55		
ΔBonus payment for policy					(1) Other comprehensive income that cannot be reclassified into profit or loss			43,316,873.69	-200,649,905.67		
ΔReinsurance costs					1. Remeasurement of changes in defined benefit plans						
Tax and surcharges			237,826,375.63	200,877,199.53	2. Other comprehensive income not converted into profit or loss under the equity method			-1,069,467.09	-6,183,495.50		
Selling expenses		VIII. 63.	397,401,887.91	315,674,307.09	3. Changes in fair value of investments in other equity instruments			44,386,340.78	-194,466,410.17		
General and administrative expenses		VIII. 64.	2,014,859,881.99	1,573,983,126.94	4. Changes in fair value of an enterprise's own credit risk						
Research and development expenses		VIII. 65.	168,250,225.76	150,224,797.68	5. Others						
Financial expenses		VIII. 66.	4,171,798,077.53	4,073,236,779.94	(2) Other comprehensive income reclassified into profit or loss			49,475,111.77	11,859,895.12		
Including: Interest expenses			4,224,714,349.27	3,785,197,249.47	1. Other comprehensive income converted into profit or loss under the equity method			3,981,026.38	1,950,824.02		
Interest income			220,549,457.39	132,951,938.74	2. Changes in fair value of other debt investments			54,357,133.85			
Exchange net loss (Net income marked with "-")			55,718,662.39	273,474,514.30	☆3. Profit and loss from fair value changes of available-for-sale financial assets						
Others					4. Reclassification of financial assets to other comprehensive income						
Add: Other income		VIII. 67.	325,337,408.46	308,853,799.52	☆5. Gains and losses for held-to-maturity investments that are reclassified into available-for-sale financial assets			-5,662,386.04			
Investment income (Loss marked with "-")		VIII. 68.	2,647,040,554.44	817,827,121.72	6. Provision for credit impairment of other debt investments						
Including: Investment income from associates and joint ventures			328,838,460.86	356,639,196.60	7. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)						
ΔExchange earnings (Loss marked with "-")					8. Translation difference of foreign currency statements			-3,184,738.48	1,783,079.06		
Net exposure to hedging gains (Loss marked with "-")			6,849,740.03	695,397.09	9. Others			-15,923.94	8,125,592.04		
Income from change in fair value (Loss marked with "-")		VIII. 69.	557,608,179.50	161,264,494.71	*Net other comprehensive income attributable to non-controlling interests after tax			48,878,667.21	2,971,231.76		
Credit impairment losses (Loss marked with "-")		VIII. 70.	-982,456,991.42	16,406,366.59	VII. Total comprehensive income			963,544,753.08	680,227,887.17		
Impairment loss on assets (Loss marked with "-")		VIII. 71.	-126,772,033.21	-67,328,019.91	Total comprehensive income attributable to owners of parent company			882,271,859.20	-80,134,664.46		
Income from disposal of assets (Loss marked with "-")		VIII. 72.	10,342,413.35	31,195,257.85	*Total comprehensive income attributable to non-controlling interests			81,272,892.88	760,362,551.63		
III. Operating profit (Loss marked with "-")			1,445,602,216.36	1,871,707,686.16	VIII. Earnings per share:			---	---		
Add: Non-operating income			97,549,775.39	126,709,813.61	Basic earnings per share						
Including: Government grants		VIII. 73.	2,749,280.00	4,997,590.80	Diluted earnings per share						

Legal representative:

Principal in charge of accounting:

丁震

Head of accounting department:

林宋印家

Parent Company's Income Statement

FY 2023

Unit: RMB

Item	Note	2023	2022	Item	Note	2023	2022
I. Total operating income	XII. 3.	128,983,247.12	499,442,870.71	Less: Non-operating expenses		3,824,189.10	687,737.47
Including: Operating income		128,983,247.12	499,442,870.71	IV. Total profits (Total loss marked with "-")		-207,729,856.07	-957,859,793.02
ΔInterest income				Less: Income tax expenses		64,177.50	
ΔInterest earned				V. Net profits (Net loss marked with "-")		-207,794,033.57	-957,859,793.02
ΔHandling charges and commissions income				(1) Classified by ownership		--	--
Including: Operating cost	XII. 3.	1,654,251,440.21	1,658,346,438.53	Net profits attributable to owners of parent company		-207,794,033.57	-957,859,793.02
ΔInterest expenses				*Profit or loss attributable to non-controlling interests		--	--
ΔHandling charges and commissions expenses				(2) Classified by business continuity		--	--
ΔSurrender value				Net profits from continuing operations		-207,794,033.57	-957,859,793.02
ΔNet expenditure for compensation payments				Net profits from discontinued operations		--	--
ΔNet withdrawal of insurance liability reserve				VI. Net after-tax amount of other comprehensive income		44,040,005.46	-235,018,725.46
ΔBonus payment for policy				The net after-tax amount of other comprehensive income attributable to owners of parent company		44,040,005.46	-235,018,725.46
ΔReinsurance costs				(1) Other comprehensive income that cannot be reclassified into profit or loss		41,962,317.75	-236,990,341.46
Tax and surcharges		2,520,167.60	5,048,933.51	1. Remeasurement of changes in defined benefit plans			
Selling expenses		105,926,712.13	109,027,955.24	2. Other comprehensive income not converted into profit or loss under the equity method		-1,069,467.09	-6,183,495.50
General and administrative expenses				3. Changes in fair value of investments in other equity instruments		43,031,784.84	-230,866,845.96
Research and development expenses				4. Changes in fair value of an enterprise's own credit risk		--	--
Financial expenses		1,545,804,560.48	1,544,269,549.78	5. Others		--	--
Including: Interest expenses		1,487,849,480.65	1,262,677,798.34	(2) Other comprehensive income reclassified into profit or loss		2,077,687.71	1,971,616.00
Interest income		16,041,092.90	32,674,032.08	1. Other comprehensive income converted into profit or loss under the equity method		2,077,687.71	1,971,616.00
Exchange net loss (Net income marked with "-")		53,144,882.40	265,001,079.54	2. Changes in fair value of other debt investments		--	--
Others				*3. Profit and loss from fair value changes of available-for-sale financial assets		--	--
Add: Other income		477,893.38	1,756,944.20	4. Reclassification of financial assets to other comprehensive income		--	--
Investment income (Loss marked with "-")	XII. 4.	1,368,912,334.72	-34,270,356.07	*5. Gains and losses for held-to-maturity investments that are reclassified into available-for-sale financial assets		--	--
Including: Investment income from associates and joint ventures		73,977,216.80	-45,015,043.00	6. Provision for credit impairment of other debt investments		--	--
Gain on derecognition of financial assets measured at amortized cost				7. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)		--	--
ΔExchange earnings (Loss marked with "-")				8. Translation difference of foreign currency statements		--	--
Net exposure to hedging gains (Loss marked with "-")				9. Others		--	--
Income from change in fair value (Loss marked with "-")		203,504,161.65	230,053,019.27	*Net other comprehensive income attributable to non-controlling interests after tax		--	--
Credit impairment losses (Loss marked with "-")		-251,651,131.79	4,188,969.20	VII. Total comprehensive income		-163,754,028.11	-1,192,878,518.48
Impairment loss on assets (Loss marked with "-")				Total comprehensive income attributable to owners of parent company		-163,754,028.11	-1,192,878,518.48
Income from disposal of assets (Loss marked with "-")		115,593.19	-957,174,991.22	*Total comprehensive income attributable to non-controlling interests		--	--
Add: Non-operating income		-203,909,341.94		VIII. Earnings per share:		--	--
Including: Government grants		3,674.97	2,935.67	Basic earnings per share		--	--
Legal representative:				Diluted earnings per share		--	--
Principal in charge of accounting:				Head of accounting department:			

林宋印家

丁震

林宋

Consolidated Cash Flow Statement

FY 2023

Prepared by: Wuhan Financial Holdings (Group) Co., Ltd.													Unit: RMB	
	Item	Note	2023	2022	Item	Note	2023	2022						
I. Cash flow from operating activities:	Cash received from sale of goods or provision of services		86,323,621,893.24	56,490,029,411.96	Cash received from disinvestment		11,341,387,157.34	8,643,281,215.90						
	△Net increase in customer deposits and interbank deposits				Cash received from the return of investment		1,721,921,741.11	697,734,886.20						
	△Net increase in borrowings from the Central Bank				Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		21,058,314.49	46,024,555.98						
	△Net increase in borrowings from other financial institutions				Net cash received from disposal of subsidiaries and other business units		679,761,106.60							
	△Cash received for original insurance contract premiums		-255,000,000.00	-145,000,000.00	Cash received related to other investing activities		2,400,042,920.93	901,521,533.99						
	△Net cash received from reinsurance business				Subtotal of cash inflow from investing activities		16,164,171,240.47	10,288,562,192.07						
	△Net increase in funds and investments for policyholders				Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		4,580,811,666.37	1,353,120,764.75						
	△Net increase from disposal of financial assets measured at fair value through profit or loss				Cash paid for investment		20,216,201,519.40	11,025,975,723.66						
	△Cash from receiving interest, handling charges and commissions				△Net increase in pledged loans									
	△Net increase in borrowing funds			4,600,630,247.57	4,178,879,953.60	Net cash paid to acquire subsidiaries and other business units		39,151,921.81	359,652.43					
II. Cash flow from investing activities:	△Net increase in funds from repurchase business		10,474,727,045.75	6,833,270,325.16	Cash paid related to other investing activities		436,989,144.50	928,391,216.13						
	△Net cash received from agency trading of securities		2,625,854,997.59		Subtotal of cash outflow from investing activities		25,273,154,252.08	13,307,847,356.97						
	Received tax refunds		-6,886,540.32		Net cash flow from investing activities		-9,108,983,011.61	-3,019,285,164.90						
	Cash received related to other operating activities		195,087,970.80	189,489,561.18	III. Cash flow from financing activities:		---	---						
	Subtotal of cash inflow from operating activities		23,633,030,553.07	58,930,022,128.82	Cash received from external investment		2,441,750,000.22	1,457,548,500.00						
	Cash paid for purchase of goods and acceptance of services		127,591,066,167.70	126,476,691,380.72	Cash received from loans granted		44,105,352,876.79	44,671,363,725.84						
	△Net increase in customer loans and advances		84,787,116,820.04	55,691,682,593.03	Cash received relating to other financing activities		17,489,627,078.58	2,066,817,055.07						
	△Net increase in the Central Bank and interbank deposits		7,259,015,920.41	8,923,825,857.65	Subtotal cash inflow from financing activities		64,036,729,955.59	48,195,779,280.91						
	△Cash payment of original insurance contract benefits				Payment of debt in cash		41,580,912,315.67	37,926,470,010.74						
	△Net increase in lending to banks and other financial institutions		-302,241,902.36	-393,770,000.00	Cash used to pay dividends, profits, or interest payments		7,194,490,907.83	5,956,127,838.65						
III. Cash flow from financing activities:	△Cash payment of interest, handling charges and commissions		1,761,499,352.34	1,806,602,264.28	Cash paid related to other financing activities									
	△Cash paid for policy bonus				Subtotal cash outflow from financing activities		12,651,214,630.69	2,118,357,290.45						
	Cash paid to and on behalf of employees		1,982,419,955.53	1,660,511,381.31	Net cash flow from financing activities		61,426,617,854.19	46,000,955,139.84						
	Taxes paid		2,083,541,370.88	2,213,668,495.82	IV. Impact of exchange rate fluctuations on cash and cash equivalents		2,610,112,101.40	2,194,774,141.07						
	Cash paid related to other operating activities		20,642,299,316.39	57,967,882,876.52	V. Net increase in cash and cash equivalents		5,086,639.19	6,045,258.47						
	Subtotal of cash outflow from operating activities		118,213,650,833.23	127,870,403,468.61	Add: Opening balance of cash and cash equivalents		2,883,631,063.45	-2,212,177,853.25						
	Net cash flow from operating activities		9,377,415,334.47	-1,393,712,087.89	VI. Closing balance of cash and cash equivalents		8,597,485,256.43	10,809,663,109.68						
	Cash flow from investing activities:		---	---			11,481,116,319.88	8,597,485,256.43						

林宋印家

Head of accounting department:

丁震

Principal in charge of accounting:

Legal representative:

Parent Company's Cash Flow Statement

FY 2023

Unit: RMB					
	Note	2023	2022	Item	Note
I. Cash flow from operating activities:					
Cash received from sale of goods or provision of services		—	—	Cash received from disinvestment	
△Net increase in customer deposits and interbank deposits		—	44,540,133.56	Cash received from the return of investment	
△Net increase in borrowings from the Central Bank		—	—	Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	
△Net increase in borrowings from other financial institutions		—	—	Net cash received from disposal of subsidiaries and other business units	
△Cash received for original insurance contract premiums		—	—	Cash received related to other investing activities	
△Net cash received from reinsurance business		—	—	Subtotal of cash inflow from investing activities	
△Net increase in funds and investments for policyholders		—	—	Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets	
△Net increase from disposal of financial assets measured at fair value through profit or loss		—	—	Cash paid for investment	
△Cash from receiving interest, handling charges and commissions		—	—	△Net increase in pledged loans	
△Net increase in borrowing funds		—	—	Net cash paid to acquire subsidiaries and other business units	
△Net increase in funds from repurchase business		—	—	Cash paid related to other investing activities	
△Net cash received from agency trading of securities		—	—	Subtotal of cash outflow from investing activities	
Received tax refunds		—	—	Net cash flow from investing activities	
Cash received related to other operating activities		10,035,074,533.02	9,461,918,205.35	III. Cash flow from financing activities:	
Subtotal of cash inflow from operating activities		10,035,074,533.02	9,506,458,338.91	Cash received from external investment	
Cash paid for purchase of goods and acceptance of services		—	—	*Including: The subsidiary received cash from non-controlling interests' investment	
△Net increase in customer loans and advances		—	—	Cash received from loans granted	
△Net increase in the Central Bank and interbank deposits		—	—	Cash received relating to other financing activities	
△Cash payment of original insurance contract benefits		—	—	Subtotal cash inflow from financing activities	
△Net increase in lending to banks and other financial institutions		—	—	Payment of debt in cash	
△Cash payment of interest, handling charges and commissions		—	—	Cash used to pay dividends, profits, or interest payments	
△Cash paid for policy bonus		—	—	*Including: Dividends and profits paid to non-controlling interests by subsidiaries	
Cash paid to and on behalf of employees		61,358,370.88	45,705,497.01	Cash paid related to other financing activities	
Taxes paid		32,951,450.84	31,215,819.55	Subtotal cash outflow from financing activities	
Cash paid related to other operating activities		9,617,012,698.68	9,786,572,376.93	Net cash flow from financing activities	
Subtotal of cash outflow from operating activities		9,711,322,520.40	9,863,493,693.49	IV. Impact of exchange rate fluctuations on cash and cash equivalents	
Net cash flow from operating activities		323,752,012.62	-357,035,354.58	V. Net increase in cash and cash equivalents	
II. Cash flow from investing activities:					
Principal in charge of accounting:		—	—	Add: Opening balance of cash and cash equivalents	
Legal representative:		—	—	VI. Closing balance of cash and cash equivalents	

林宋印家

丁震

Head of accounting department:

Principal in charge of accounting:



Consolidated Statement of Changes in Shareholders' Equity

For 2023

		Current year amount												Unit: RMB		
		Equity attributable to shareholders of the parent company														
Item	Note	Paid in capital (or share capital)		Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserves	△General risk reserve	Undistributed profit	Subtotal	Non-controlling interests	Total shareholders' equity
		1	2	Preference share	Perpetual bond	Others										
I. Closing balance in previous year		8,318,040,395.60			4,300,000,000.00		6,842,282,406.38		-267,930,596.50	3,117,081.50	382,382,923.77	961,498,896.45	-2,488,401,500.12	17,950,996,607.08	16,109,099,966.81	34,060,096,573.89
II. Changes in current year (Decrease marked with "-")																
1. Total comprehensive income							58,017,267.62		92,791,985.46				-1,020,051,933.70	-1,153,203,786.66	1,007,655,366.15	-120,548,422.47
2. Shareholder's contributions and withdrawals of capital									92,791,985.46				789,479,873.74	882,277,169.70	81,277,852.88	963,544,732.08
3. Shareholder's contributions and withdrawals of capital							67,515,048.62						6,169,842.51	-326,315,108.47	1,060,081,349.54	733,766,481.07
(1) Common share contributed by shareholders															1,305,427,698.00	1,305,427,698.00
(2) Capital contributed by other equity instrument holders																
(3) Share-based payment recorded in shareholder's equity																
(4) Others							67,515,048.62									
3. Withdrawal and use of special reserve																
(1) Withdrawal of special reserve																
(2) Use of special reserve																
IV. Profit distribution																
(1) Appropriation of surplus reserve							9,497,781.00									
Including: Statutory surplus reserve																
Discretionary surplus reserve																
Reserve funds																
Enterprise expansion funds																
Profit distribution to investor																
△(2) Appropriation of general risk reserve																
(1) Distribution to shareholders																
(4) Others							9,497,781.00									
5. Internal carry forward of shareholder's equity																
(1) Transfer of capital reserve to capital (Share capital)																
(2) Transfer of surplus reserve to capital (Share capital)																
(3) Recover of loss by surplus reserve																
(4) Changes in defined benefit plans carried forward to retained earnings																
(5) Other comprehensive income carried forward to retained earnings																
(6) Others																
IV. Closing balance in current year		8,318,040,395.60			3,800,000,000.00		6,900,299,674.00		-175,138,611.04	3,117,081.50	382,382,923.77	1,077,537,774.41	-3,508,453,419.82	16,797,794,818.42	17,111,765,333.00	33,909,560,151.42
Legal representative:		Principal in charge of accounting:		Head of accounting department:												

Consolidated Statement of Changes in Shareholders' Equity (Continued)

FY 2023

Prior year amount																				
Note	Equity attributable to shareholders of the parent company																			
	Paid-in capital (or share capital)				Other equity instruments		Capital reserves		Less: Treasury share		Other comprehensive income		Special reserve		Surplus reserves	ΔGeneral risk reserve	Undistributed profit	Subtotal	Non-controlling interests	Total shareholders' equity
	15	16	17	18	19	20	21	22	23	24	25	26	27	28						
-	7,560,000,000.00	3,600,000,000.00			6,560,118,609.54		-79,140,585.95	3,117,081.50	382,382,923.77	773,796,949.84	-1,072,980,287.04	17,786,222,737.16	16,419,956,035.61	34,405,278,772.27						
I. Opening balance at the beginning of the year	7,560,000,000.00	3,600,000,000.00			6,560,118,609.54		-79,140,585.95	3,117,081.50	382,382,923.77	773,796,949.84	-1,072,980,287.04	17,786,222,737.16	16,419,956,035.61	34,405,278,772.27						
II. Changes in current year [Detailed in the notes]					-38,125.50															
III. Closing balance at the end of the year	7,560,000,000.00	3,600,000,000.00			6,560,118,609.54		-79,140,585.95	3,117,081.50	382,382,923.77	773,796,949.84	-1,072,980,287.04	17,786,222,737.16	16,419,956,035.61	34,405,278,772.27						
IV. Changes in current year [Detailed in the notes]					274,163,896.84		-188,790,010.55													
1. Total comprehensive income																				
2. Shareholders' contributions and withdrawals of capital																				
(1) Common share contributed by shareholders																				
(2) Capital contributed by other equity instruments holders																				
(3) Share-based payment recorded in shareholder's equity																				
(4) Others																				
3. Withdrawal and use of special reserve																				
(1) Withdrawal of special reserve																				
(2) Use of special reserve																				
IV. Profit distribution																				
(1) Appropriation of surplus reserve																				
including: Statutory surplus reserve																				
Discretionary surplus reserve																				
Reserve funds																				
Enterprise expansion funds																				
Profit distribution to investor																				
(2) Appropriation of general risk reserve																				
(3) Distribution to shareholders																				
(4) Others																				
5. Internal carry forward of shareholder's equity																				
(1) Transfer of capital reserve to capital (Share capital)																				
(2) Transfer of surplus reserve to capital (Share capital)																				
(3) Recover of loss by surplus reserve																				
(4) Changes in defined benefits plans carried forward to retained earnings																				
(5) Other comprehensive income carried forward to retained earnings																				
(6) Others																				
IV. Closing balance in current year	8,318,040,395.60	4,200,000,000.00			6,842,282,606.38		-267,930,586.50	3,117,081.50	382,382,923.77	961,498,896.45	-2,488,401,500.12	17,950,998,607.08	16,109,099,966.81	34,060,098,573.89						

Head of accounting department:

Principal in charge of accounting:

林宋印家

丁震

杨



Parent Company's Statement of Changes in Shareholders' Equity

For 2023

Unit: RMB million														
Item	Current year amount													
	Equity attributable to shareholders of the parent company											Non-controlling interests	Total shareholders' equity	
	Paid-in capital (or share capital)	Preference share	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserves	△General risk reserve			Undistributed profit
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance at the beginning of the year	8,318,049,395.60	—	4,200,000,000.00	—	6,497,746,870.44	—	-292,812,051.98	—	382,382,923.77	—	-2,993,618,086.77	16,111,649,039.06	—	16,111,649,039.06
II. Changes in current year (Decrease in current year)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
III. Operating balance in current year	8,318,049,395.60	—	4,200,000,000.00	—	6,497,746,870.44	—	-292,812,051.98	—	382,382,923.77	—	-2,993,618,086.77	16,111,649,039.06	—	16,111,649,039.06
III. Changes in current year (Decrease in current year)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Total comprehensive income	—	—	—	—	—	—	44,040,005.46	—	—	—	-1,659,318,293.26	1,938,489,378.58	—	1,938,489,378.58
2. Shareholder's contributions and withdrawals of capital	—	—	—	—	—	—	44,040,005.46	—	—	—	-163,754,028.11	-163,754,028.11	—	-163,754,028.11
(1) Common share contributed by shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(2) Capital contributed by other equity instrument holders	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(3) Share-based payment recorded in shareholder's equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(4) Others	—	—	—	—	—	—	—	—	—	—	-323,311,090.78	-323,311,090.78	—	-323,311,090.78
3. Withdrawal and use of special reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(1) Withdrawal of special reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(2) Use of special reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
IV. Profit distribution	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(1) Appropriation of surplus reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
including: Statutory surplus reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discretionary surplus reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reserve funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Enterprise expansion funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Profit distribution to investor	—	—	—	—	—	—	—	—	—	—	—	—	—	—
△(2) Appropriation of general risk reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(3) Distribution to shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(4) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Internal carry forward of shareholder's equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(1) Transfer of capital reserve to capital (Share capital)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(2) Transfer of surplus reserve to capital (Share capital)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(3) Recover of loss by surplus reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(4) Changes in defined benefit plans carried forward to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(5) Other comprehensive income carried forward to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(6) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
IV. Closing balance in current year	8,318,049,395.60	—	3,800,000,000.00	—	6,574,435,779.66	—	-248,872,046.52	—	382,382,923.77	—	-4,652,936,392.03	14,173,059,660.48	—	14,173,059,660.48
Prepared by: Wuhan Financial Accounting Firm Co., Ltd.														

Principal in charge of accounting

Head of accounting department

Legal representative

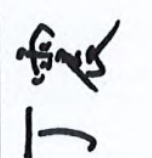
丁震

林宋

林宋印家

Item	Prior year amount													Total shareholders' equity
	Equity attributable to shareholders of the parent company													
	Paid-in capital (or share capital)	Other equity instruments		Capital reserves	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserves	ΔGeneral risk reserve	Undistributed profit	Subtotal	Non-controlling interests		
		Preference share	Perpetual bond										Others	
Column	15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance in current year	7,560,000,000.00		3,600,000,000.00		6,100,970,135.63		-57,893,326.52		382,382,923.77		-448,359,932.51	16,771,150,700.37		16,771,150,700.37
Add: Changes in accounting policies														
Correction of errors (special dividend)														
Others														
II. Opening balance in current year	7,560,000,000.00		3,600,000,000.00		6,100,970,135.63		-57,893,326.52		382,382,923.77		-416,231,473.24	16,120,919,227.13		16,120,919,227.13
III. Changes in current year (Decreases indicated with "-")														
1. Total comprehensive income							-235,018,725.46				-1,529,077,593.02	-9,270,188.07		-9,270,188.07
2. Shareholder's contributions and withdrawals of capital														
(1) Common share contributed by shareholders	758,049,395.60						-235,018,725.46				-997,859,793.02	-1,192,878,518.48		-1,192,878,518.48
(2) Capital contributed by other equity instruments holders														
(3) Share-based payment recorded in shareholder's equity														
(4) Others														
3. Withdrawal and use of special reserve														
(1) Withdrawal of special reserve														
(2) Use of special reserve														
IV. Profit distribution														
(1) Appropriation of surplus reserve														
Including: Statutory surplus reserve														
Discretionary surplus reserve														
Reserve funds														
Enterprise expansion funds														
Profit distribution to investor														
(2) Appropriation of general risk reserve														
(3) Distribution to shareholders														
(4) Others														
5. Internal carry forward of shareholder's equity														
(1) Transfer of capital reserve to capital (Share capital)														
(2) Transfer of surplus reserve to capital (Share capital)														
(3) Recover of loss by surplus reserve														
(4) Changes in defined benefit plans carried forward to retained earnings														
(5) Other comprehensive income carried forward to retained earnings														
(6) Others														
V. Closing balance in current year	8,318,049,395.60		4,200,000,000.00		6,497,746,870.44		-292,912,051.98		382,382,923.77		-3,993,618,098.77	16,111,449,039.06		16,111,449,039.06

Legal representative: 

Principal in charge of accounting: 

Head of accounting department: 

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements for the year 2023

I. Background of the Company

1. Corporate history, place of registration, organization form, and address of HQ

Wuhan Financial Holdings (Group) Co., Ltd. (formerly known as Wuhan Economic Development Investment (Group) Co., Ltd., hereinafter referred to as “the Company”, “Company” and collectively referred to as “the Group” when including subsidiaries) is a wholly state-owned company approved by the General Office of the Wuhan Committee of the Communist Party of China and the General Office of the Wuhan Municipal People’s Government via the document WBW [2005] No.28. It was formed by merger and reorganization of the state-owned equity of nine companies originally belonging 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 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.

On June 15th, 2021, the Wuhan Municipal Bureau of Finance, the Wuhan Municipal Bureau of Human Resources and Social Security and the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government jointly issued the *Notice on the Transfer of Part of the State-owned Capital of Enterprises Financed by Municipal State-owned Assets Supervision and Administration Commission for the Purpose of Enriching the Social Security Fund* (Wu Cai Chan [2021] No. 403), transferring 10% of the Company's state-owned equity interest held by the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government to Hubei

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

State-owned Equity Operation Management Co., Ltd. without consideration, and it is managed under a special account.

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 RMB 8.318 billion; the legal representative is Mei Lin; the registered address: 77 Changjiang Daily Road, Jiangnan District, Wuhan City.

2. Nature of business and main business activities

The company belongs to other financial industries and its business scope mainly includes: equity investment and management in the financial industry carrying 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 the Wuhan Municipal People's Government.

4. Approval for the issue of the financial report

The Group's financial report has been approved for reporting by the Board of Directors of the Company.

5. Operating period

The operating period is perpetual.

II. Basis for the preparation of the financial statements

The Group's financial statements have been prepared on a going concern basis, based on transactions and events that have actually occurred, in accordance with the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance and related regulations, and based on the accounting policies and estimates described in "Note IV. Significant accounting policies and accounting estimates".

III. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the financial position of the Group as at December 31st, 2023 and the results of the operations and cash flows for the year 2023.

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 as its functional currency.

3. Basis for bookkeeping and valuation principles

According to the relevant regulations of the *Accounting Standards for Business Enterprises*, the Group's accounting is based on an accrual basis. Except for certain financial instruments, the financial statements are measured on a historical cost basis. If an asset is impaired, a corresponding provision for impairment is made in accordance with the relevant regulations.

4. Business combinations

Assets and liabilities acquired by the Group as the combining party in business combinations under common control are measured at the combined party's book value in the consolidated statements of the ultimate controlling party at the date of combination. The capital reserve adjustments are made according to the difference between the book value of the net assets obtained and the book value of the consolidated consideration paid; retained earnings are 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 are 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

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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 consolidation

The Group includes all controlled subsidiaries and structured entities within the scope of consolidated financial statements.

(2) Principles, procedures and methods of the preparation of the 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 of current payments and unrealized profits within the scope of consolidation 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 profit or loss, other comprehensive income and total comprehensive income attributable to non-controlling interests are shown in the consolidated financial statements under the items of "non-controlling interests, profit or loss attributable to non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests" 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 period'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.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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 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 the 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 combinations 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 book 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 of 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

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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 gains and losses in the period in which control is lost, and goodwill is written down at the same time. Other comprehensive income related to the equity investment in the original subsidiary is transferred to current investment gains and losses upon the 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 the transactions are part of a package deal, each transaction is accounted for as a single transaction for the 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 gains and losses in the period when control is lost.

6. Classification of joint arrangements and accounting treatment of joint operations

The joint arrangements of the Group include 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 foreign currency financial statements

The items of assets and liabilities in the foreign currency balance sheet are translated at the spot exchange rate on the balance sheet date. Except for the "undistributed profits", the owner's 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 the 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, the basis for recognition and measurement of financial assets

The Group classifies financial assets as financial assets carried at amortized 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 financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies financial assets as financial assets carried at amortized cost if both of the following conditions are met: 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 recognized in the initial recognition

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

amount; they are subsequently measured at amortized cost. The difference between the initial amount and the amount due is amortized using the effective interest method, except for those designated as hedged items, and amortization, impairment, exchange gains or losses and gains or losses arising on derecognition are recognized in profit or loss in 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 to both collect the contractual cash flows and sell 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 recognized in the initial recognition amount. Except for those designated as hedged items, such financial assets, other than credit impairment losses or gains, foreign exchange gains or losses and interest on such financial assets calculated under the effective interest rate method, are recognized in other comprehensive income; upon derecognition of a financial asset, the cumulative gain or loss previously recognized in other comprehensive income should be transferred from other comprehensive income and recognized 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 book value of the financial assets by the effective interest rate, except for the following cases: ① For financial assets acquired or originated that are credit impaired, interest income is determined from initial recognition based on the amortized cost of the financial assets and the effective interest rate adjusted for credit. ② For financial assets acquired or originated without credit impairment but become credit-impaired in subsequent periods, interest income is determined in subsequent periods based on the amortized 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 revoked. The Group's investments in non-trading equity instruments designated as at fair value through other comprehensive income are initially measured at fair value, with related transaction costs recognized at initial recognition; except for dividends received (other than those attributable to the recovery of investment costs), which are recognized in profit or loss, other related gains and losses (including exchange gains and losses) are recognized in other comprehensive income and are not subsequently transferred to the current profit or loss. When they are derecognized, the cumulative gain or loss previously

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

For financial assets other than those classified as financial assets measured at amortized cost and those classified as financial assets at fair value through other comprehensive income as described above, the Group classifies them as financial assets at fair value through profit or loss. Such financial assets are initially measured at fair value, and the related transaction costs are recognized directly in profit or loss for the current period. Gains or losses on such financial assets are recognized in profit or loss for the current period.

If the contingent consideration recognized 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.

When the Group changed its business model for managing financial assets, all affected related financial assets were reclassified.

2) Basis for recognition and measurement of transfer of financial assets

The Group derecognizes a financial asset when one of the following conditions is met: ① the contractual rights to receive cash flows from the financial asset expires; 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 a transfer of a financial asset as a whole satisfies the derecognition condition, the difference between the book value of the transferred financial asset and the sum of the consideration received for the transfer and the cumulative amount of changes in fair value originally recognized in other comprehensive income, corresponding to the derecognized portion (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 recognized in profit or loss.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the whole book value of the financial asset transferred is apportioned between the derecognized portion and the un-derecognized portion according to their respective relative fair values. The difference between the sum of the consideration received for the transfer and the cumulative amount of changes in fair value originally recognized in other comprehensive income corresponding to the derecognized portion that shall be apportioned to the derecognized portion (the contractual terms of the financial asset involved in the

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

transfer provided that the cash flows arising on a specific date are only payments of principal and interest based on the principal amount outstanding), and the above-apportioned book value of financial assets is recognized in profit or loss.

3) Expected credit losses

a. Application scope

The Group makes impairment accounting treatment and recognizes a provision for losses based on expected credit losses, the following items: financial assets at amortized cost ("AMC"); debt financial assets measured at fair value through other comprehensive income ("FVOCI"); loan commitments and financial guarantee contracts that shall be included in the provision for impairment.

b. Determination method of expected credit losses and accounting treatment

Expected credit losses are the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contracts and all cash flows expected to be received by the Group, discounted at the original effective interest rate, which is the present value of the total cash shortfall.

For receivables or provision for losses on contract assets resulting from the transactions governed by the *Accounting Standards for Business Enterprises No. 14- Revenue* (only including receivables or contract assets without containing significant financing components), the Group applies the simplified method of measurement and always measures them at an amount equal to the expected credit loss over the entire duration.

In addition to the above items, the Group measures the loss allowances for other items based on the following situations: ① for financial assets whose credit risk has not increased significantly since initial recognition, the Group measures the loss allowances at an amount equal to the expected credit losses over the next 12 months and measures the interest income according to the total amount method; ② for financial assets whose credit risk has increased significantly since initial recognition, the Group measures the loss allowances at an amount equal to the expected credit losses over the entire duration and measures the interest income according to the total amount method; ③ for financial assets whose credit risk has increased significantly since initial recognition and that become credit-impaired at the reporting date, the Group measures the loss allowances at an amount equal to the expected credit losses over the entire duration and calculates the interest income by the net amount method.

A determination of whether credit risk has increased significantly since initial recognition. The Group determines whether a financial instrument's credit risk has increased significantly by comparing the amount of the probability of default over the expected life of

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

the 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 low credit risk at the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since its initial recognition. Normally, if a financial instrument is more than 30 days past due, it indicates that the credit risk has increased significantly. Unless the Group can obtain reasonable and substantiated information without undue additional cost or effort to demonstrate 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 that is available without undue additional cost or effort, including forward-looking information. The Group considers the information including internal historical experience data on credit losses, internal risk ratings, credit loss experience of other companies or institutions, external credit ratings and external statistical data.

Below is the portfolio-based assessment. For financial instruments excluding the accruals of losses by individual items, The Group is unable to obtain sufficient evidence of a significant increase in credit risk at the level of a single instrument at a reasonable cost, and it is feasible to assess whether credit risk increases significantly on a portfolio basis, so the Group groups financial instruments by type of instrument, credit risk rating, type of collateral, initial confirmation date, remaining contractual term, industry in which the borrower is located, geographic location of the borrower and loan collateralization ratio as common risk characteristics and considers assessing whether credit risk increases significantly on a portfolio basis. A defined portfolio of financial instruments that may change over time (for example, when new information on a group or individual financial asset becomes available).

(2) Financial liabilities

1) Classification, the basis for recognition and measurement of financial liabilities

The Group classifies financial liabilities as financial liabilities at amortized cost, except for the following: 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 resulting from the transfer of financial assets that do not meet the derecognition criteria or from the continued involvement in the transferred financial assets. ③ Financial guarantee contracts that do not fall under the circumstances of ① or ② above, and loan

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

commitments to lend at below-market interest rates that do not fall under the circumstances of ① above.

The Group accounts for contingent consideration recognized 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) Conditions for 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 Group 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 derecognize the existing financial liabilities and recognize the new financial liabilities at the same time. If the Group substantially modifies all or part of the contract terms of the existing financial liability, the existing financial liability or part thereof shall be derecognized, and at the same time the modified financial liability shall be recognized as a new financial liability. The difference between the book value of the derecognized portion and the consideration paid is recognized in the current profit or loss.

(3) Methodology for determining the fair values of financial assets and financial liabilities

The Group measures the 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 inputs used in fair value measurement are divided into three levels, that is, Level 1 inputs are the unadjusted quoted prices in an active market for the same asset or liability that is available on the measurement date; Level 2 inputs are inputs other than Level 1 inputs that are observable for the related asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for the related asset or liability. The Group prioritizes the use of Level 1 inputs and finally uses Level 3 inputs. The level of the fair value measurement result is determined by the lowest level of the inputs that are significant to the overall fair value measurement.

(4) Offsetting of financial assets and financial liabilities

The Group's financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, they are presented in the

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

balance sheet in net amounts after offsetting each other if the following conditions are met:

(1) the Group has a legal right to offset the recognized amounts and such legal right is currently enforceable; and (2) the Group plans to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

(5) Distinction between financial liabilities and equity instruments and related treatment

The Group distinguishes between financial liabilities and equity instruments in accordance with the following principles: (1) A contractual obligation meets the definition of a financial liability if the Group cannot unconditionally avoid meeting that obligation by delivering cash or other financial assets. Some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, but it is possible that contractual obligations may arise indirectly through other terms and conditions. (2) If a financial instrument is required to be settled by or available for settlement with the Group's own equity instruments, consideration needs to be given to whether the Group's own equity instruments used to settle the instrument are intended as a substitute for cash or other financial assets or to give the holder of the instrument a residual interest in the assets of the issuer after deducting all liabilities. In the former case, the instrument is a financial liability of the issuer; in the latter case, the instrument is an equity instrument of the issuer. In certain circumstances, a financial instrument contract requires the Group to settle the financial instrument with or using its own equity instruments, where the amount of the contractual right or contractual obligation is equal to the number of its own equity instruments available for acquisition or delivery multiplied by their fair value at the time of settlement, regardless of whether the amount of the contractual right or obligation is fixed or based in whole or in part on variables other than the market price of the Group's own equity instruments (such as interest rates, the price of a commodity or the price of a financial instrument), the contract is classified as a financial liability.

The Group classifies financial instruments (or their components) in the consolidated statements of income, taking into account all terms and conditions agreed between the members of the Group and the holder of the financial instrument. If the Group as a whole has an obligation to deliver cash, or other financial assets or settle in another manner that results in the instrument becoming a financial liability as a result of the instrument, the instrument should be classified as a financial liability.

If a financial instrument or its component is a financial liability, the related interest, dividends (or bonuses), gains or losses, and gains or losses arising from redemption or refinancing are recognized by the Group in profit or loss for the current period.

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

When financial instruments or their components belong to equity instruments, the Group treats them as changes in equity when they are issued (including refinancing), repurchased, sold or cancelled, and does not recognize changes in the fair value of equity instruments.

10. Receivables**Method of determining the expected credit losses on receivables**

Receivables for which the Group can obtain sufficient evidence of a significant increase in credit risk at the individual instrument level at a reasonable cost are classified as receivables that its provision for bad debt is made by the individual. For receivables excluding accruals of losses by individual, they are grouped according to common risk characteristics and considered to assess whether there is a significant increase in credit risk on a portfolio basis.

Receivables with an individual provision for bad debts	Discounted cash flow model
Receivables for which the provision for bad debts is made by portfolio	
Portfolio 1 Integrated business portfolio	Measurement models of expected credit losses, such as rating mapping model, rolling rate model, discounted cash flow model
Portfolio 2 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 by reference to the "Portfolio 1 Integrated business portfolio". The low-risk portfolio mainly consists of internal related party transactions, government transactions and low-risk amounts such as reserves and deposits.

11. Inventories

The Group's inventories mainly include 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 are amortized using the one-time amortization method.

Inventory is recognized at the lower of the cost and net realizable value at the end of the period. 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 is below cost, the provision for the decline in the value of inventories is made. The provision for the decline in the value of

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

inventories for goods in stock and bulk raw materials is made according to the difference between the cost of an individual inventory item and its net realizable value. The provision for the decline in the value of inventories for other raw and auxiliary materials with large quantities and low unit prices is 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 goods 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, lending to banks and other financial institutions, and pawn businesses, 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.

Expected credit losses on entrusted loans are recognized by applying the "10. Receivables (1) Method of determining the 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 investee, as well as equity investments in its joint ventures.

Control means that the Group has authority over its investee, enjoys a variable return through participation in the investee's related activities, and has the ability to use its authority over the investee to influence the amount of its return.

Joint control means 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 arrangement is an arrangement that is under the joint control of two or more parties. A joint venture means a joint arrangement in which the joint venturers have only the rights to the net assets of the arrangement.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Significant influence means the power to participate in decision-making regarding the financial and operating policies of the investee, but does not have control or joint control with others over the development of those policies. 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 clear evidence that it cannot participate in the production and operation decisions of the investee under such circumstances. In determining whether 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) Method of determining the costs of long-term equity investments, subsequent measurement and recognition of gains and losses

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 book 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 the consideration of the combination, the initial investment cost of the long-term equity investment at the date of combination is based on the share of the book value of the acquired owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party, and the total face value of the shares issued is treated as share capital. 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.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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 the 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 declared 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 the 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 the fair value of the investee's identifiable net assets at the time of investment is recognized in the current profit or loss and adjusted for the cost of the long-term equity investment. Upon the acquisition of the long-term equity investment, investment income and other comprehensive income are recognized respectively based on the share of net profit or loss and other comprehensive income realized by the investee in the current year that the investor is entitled to or share, and the book value of the long-term equity investment is adjusted accordingly. The investor calculates the portion to be entitled

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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 book 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 them in owner's equity. When the share of net profit or loss attributable to the investee is recognized, 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, the unrealized gains and losses on internal transactions with associates and joint ventures in proportion to the share of such gains and losses that are attributable to the investee are offset, and the investment income is recognized.

(3) Changes in long-term equity investments

If joint control or significant influence can be exercised over an investee due to additional investments or other reasons but control is not constituted, the sum of the fair value of the equity investment originally held that is classified as an investment in other equity instruments or other non-current financial asset and 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 book 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 who are not under the same control due to additional investments, the sum of the book 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 other investment in equity instrument or other non-current financial assets for accounting treatment, the changes in the accumulated fair value originally

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

included in other comprehensive income are 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 other investment in equity instrument or other non-current financial assets, the difference between the fair value and the book 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 equity method is not used.

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 other investment in equity instrument or other non-current financial assets, the difference between its fair value at the date of loss of control and its book 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 book 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 properties

Investment properties include rented land use rights, land use rights that are held and intended to be transferred upon appreciation, and rented 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

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

properties consists of the necessary expenses incurred before the construction of the asset reaches its intended usable state.

The Group applies the fair value model to all investment properties for subsequent measurement. The accounting policy selection for investment properties that are subsequently measured using the fair value model is based on the following:

(1) There is an active market for property transactions on which the investment properties are located.

(2) The Group is able to obtain market prices and other relevant information on similar or comparable properties from the markets for property transactions so as to make a reasonable estimate for the fair value of investment properties.

The Group does not depreciate or amortize investment properties. The book value of investment properties is adjusted on the basis of their fair value at the balance sheet date, and the difference between the fair value and the original book value is recognized in the current profit or loss.

The Group's investment properties are valued by an appraisal report issued by a third-party institution with property appraisal qualification engaged by the Group, and the valuation conclusion is used as its fair value.

When the Group has conclusive evidence of a change in the use of real estate and converts an investment property to a self-use property, the fair value at the conversion date is used as the book value of the self-use property, and the difference between the fair value and the original book value is recognized in profit or loss. When a self-use property or inventory is converted to an investment property measured by fair value model, the investment property is valued at the fair value at the conversion date, if the fair value is less than the original book value, the difference is recognized in profit or loss; if the fair value is higher than the original book value, the difference is recognized in owner's equity.

Investment property is derecognized when the property is disposed of or permanently withdrawn from use and no economic benefit is expected from its disposal. Disposal income from the sale, transfer, scrap or destruction of an investment property is recognized in the current profit or loss after deducting its book value and related taxes.

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

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

provision of services, rental, or operation management, and have a useful life of more than one year.

Fixed assets, including houses 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.	Type	Depreciable life (years)	Projected residual value rate (%)	Annual depreciation rate (%)
1	Houses and buildings	20-40	0-5	5.00-2.38
2	Machinery and equipment	4-20	0-10	25.00-4.50
3	Transportation equipment	4-15	0-10	25.00-6.00
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, projected net residual value and depreciation method of a fixed asset, and any changes are treated as changes in accounting estimates.

When a fixed asset is disposed of or no economic benefit is expected from its use or disposal, the fixed asset shall be derecognized. Income from the sale, transfer, scrapping or

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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. Borrowing costs directly attributable to the acquisition or production of assets eligible for capitalization 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 such assets 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.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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. Right-of-use assets

A right-of-use asset refers to the right of the Group as a lessee to use the leased asset during the lease term.

(1) Initial measurement

At the commencement date of the lease term, the Group initially measures the right-of-use asset at cost. The cost includes the following four items: ① the initial measurement amount of the lease liability; ② the amount of lease payments made on or before the commencement date of the lease, less the amount related to the lease incentives already taken, if any; ③ the initial direct costs incurred, i.e., the incremental costs incurred to enter into the lease; ④ 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 the agreed-upon condition under the terms of the lease, except those incurred for the production of inventory.

(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 asset, i.e. the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses. The Group remeasures the lease liability in accordance with the relevant provisions of the leasing standards and adjusts the book value of the right-of-use asset accordingly.

1) Depreciation of right-of-use assets

The Group recognizes the depreciation of right-of-use assets from the beginning of the lease term. Right-of-use assets are generally provisioned from the month in which the lease term commences. The amount of depreciation is charged to the cost of the related assets or to the 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

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

right-of-use assets are expected to be consumed and depreciates the right-of-use assets by the straight-line method.

In determining the depreciable lives of right-of-use assets, the Group follows the following principles: if it is reasonably certain that ownership of the leased assets will be obtained at the end of the lease term, depreciation is charged over the remaining useful life of the leased assets; if it is not reasonably certain that ownership of the leased assets will 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 assets.

2) Impairment of right-of-use assets

If there is an impairment of right-of-use asset, the Group uses the book value of the right-of-use asset after deducting the impairment loss to develop its subsequent depreciation

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 an 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 expenditures are divided into research phase expenditures and development phase expenditures based on their nature and whether there is significant uncertainty about the intangible assets that will ultimately result from the research and development activities. Research phase expenditures are charged to the 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 the 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.

21. Long-term deferred expenses

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

The Group's long-term deferred 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 deferred 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 book 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 period, 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 book value 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;

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(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 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 are 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 include employee salaries, bonuses, allowances and subsidies, employee welfare expenses, social insurance premiums such as medical insurance premiums, work injury insurance premiums and maternity insurance premiums, housing provident fund, funds for trade unions and staff education, 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 the 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 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

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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 the 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 the 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 the 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) 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 the 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 termination 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 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 for 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.

Guotong Trust Co., Ltd., a subsidiary of the Group, quantitatively analyzed the risk status of risky assets in accordance with the standard method to determine the estimated value of potential risks based on its own condition, and provided a general risk reserve for

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

the difference of the estimated value of potential risks over the impairment provision for assets, and did not provide a general risk reserve when the estimated value of potential risks was lower than the impairment provision for assets. In principle, the balance of the general risk reserve should not be less than 1.5% of the closing balance of risk assets.

Huayuan Securities Co., Ltd., a subsidiary of the Group, has provided for the company's statutory reserve and general risk reserve and trading risk reserve at the rate of 10% of the net profit (less compensated losses) for the year, respectively. When the accumulated amount of the company's statutory reserve is 50% or more of the company's registered capital, it may no longer be withdrawn.

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 recognition

The Group initially measures the lease liability at the present value of the outstanding lease payments at the commencement date of the lease term.

1) Lease payments

Lease payments, which are payments made by the Group to the lessor related to the right to use the leased asset during the lease term, include: ① fixed payments and material fixed payments, less amounts related to lease incentives if lease incentives exist; ② variable lease payments that depend on an index or rate, which is determined at initial measurement based on the index or rate at the beginning of the lease term; ③ when the Group reasonably determines will exercise the purchase option, the payments are for the exercise price of the purchase option; ④ if the lease term reflects the Group will exercise the lease termination option, the payments are to exercise the lease termination option; ⑤ the amount expected to be paid based on the residual value of the guarantee provided by the Group.

2) Discount rate

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

The Group, in calculating the present value of the lease payments, uses incremental borrowing rate as a discount rate if the implied rate of the lease cannot be determined. The incremental borrowing rate refers to 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 under similar mortgage terms for a similar period of time. The interest rate is related to: ① the Group's own situation, i.e., its solvency and credit standing; ② the term of the "borrowing", i.e., the lease term; ③ the amount of the "borrowed" funds, i.e., the amount of the lease liabilities; and ④ economic environment, including the jurisdiction in which the lessee is located, the currency of denomination, the time of contract signing, etc. The Group arrived at this incremental borrowing rate based on the LRP announced by the People's Bank of China, and adjustments by considering the above factors.

(2) Subsequent measurement

After the commencement date of the lease term, the Group subsequently measures the lease liability according to the following principles: ① when interest on the lease liability is recognized, the book value of the lease liability is increased; ② when lease payments are made, the book value of the lease liability is reduced; and ③ when there is a change in the lease payments due to revaluation or lease modification, the book value of the lease liability is remeasured. The Group calculates the interest expense on the lease liability for each period of the lease term at a fixed periodic rate and recognizes it in the current profit or loss, 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 has to be remeasured at the revised discount rate due to changes in the lease payments or due to changes in the lease.

(3) Remeasurement

After the commencement date of a lease, the Group remeasures the lease liability according to the present value of changed lease payments and adjusts the book value of the right-of-use asset accordingly when the following cases occur. If the book value of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the Group recognizes the remaining amount in profit or loss for the current period. ① Changes in the amount of substantive fixed payments (discount by the original discount rate under such case); ② Changes in the amount expected to be payable for the residual value of the guarantee (discount by the original discount rate under such case); ③ Changes in the index or rate used to determine the lease payments (discount by the revised discount rate under such case); ④ Changes in the appraisal results of the purchase option (discount

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

by the revised discount rate under such case); ⑤ Changes in the valuation results or actual exercise of the option to renew the lease or the option to terminate the lease (discount by the revised discount rate under such case).

28. Estimated liabilities

The Group recognizes a liability when operations related to contingencies such as external guarantees, trade acceptance discounting, pending litigation or arbitration, and 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.

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 book value of the estimated liabilities 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 preference shares and perpetual bonds

The Group classifies the preference shares and perpetual bonds that qualify as equity instruments, and other financial instruments as financial liabilities. The related accounting policies are described in Note IV. 9. (5) "Distinction between financial liabilities and equity instruments".

Preference 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 the repurchase or redemption are recognized in profit or loss for the current period.

Preference shares and perpetual bonds classified as equity instruments increase the 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 principle

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

The Group's operating revenue mainly includes income from the sale of goods, income from the provision of labor services and income from the assignment of the asset use right.

Revenue is recognized when the Group's performance obligation in the contract is fulfilled, that is, when the customer obtains control of the related goods or services.

If a contract contains two or more performance obligations, the transaction price is apportioned to each individual performance obligation by the Group at the beginning of the contract in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, and revenue is measured according to the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration to which the Group is expected to be entitled as a result of the transfer of goods or services to the customer, excluding amounts received on behalf of third parties. The transaction price recognized by the Group does not exceed the amount for which it is highly probable that there will be no material reversal of the revenue recognized in the aggregate when the relevant uncertainty is removed. Amounts expected to be returned to the customer as a liability are not included in the transaction price. If there is a significant financing component in the contract, the transaction price is determined by the Group on the basis of the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is acquired. The difference between this transaction price and the contract consideration is amortized over the term of the contract using the effective interest method. If the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price is expected to be less than one year at the contract commencement date, the existence of a significant financing component in the contract is not considered.

The performance obligations are fulfilled within a certain time period when one of the following conditions is met; otherwise, performance obligations are fulfilled at a point in time:

(1) The customer acquires and consumes the economic benefits of the Group's performance at the same time as the 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 irreplaceable and entitled to receive payment by the Group for the cumulative portion of performance completed to date throughout the term of the contract.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

For performance obligations to be performed within a certain period of time, revenue is recognized by the Group in accordance with the progress of performance over that period of time, and the progress of performance is recognized based on a percentage of completion method. When the progress of performance is not reasonably determinable, revenue is recognized in the amount of costs already incurred that are expected to be reimbursed until the progress of performance can be reasonably determined.

For performance obligations performed at a point in time, revenue is recognized by the Group at the point in time when the customer obtains control of the related goods or services. In determining whether the customer has acquired control of the goods or services, the following indications are considered:

- (1) The Group has a present right to receive payment for the goods or services.
- (2) Legal ownership of the merchandise has been transferred by the Group to the customer.
- (3) The physical transfer of the item has been made by the Group to the customer.
- (4) The principal risks and rewards of ownership of the commodity have been transferred by the Group to the customer.
- (5) The customer has accepted the goods or services, etc.

The Group's rights to receive consideration for goods or services transferred to customers are presented as contract assets, which are impaired on the basis of expected credit losses. The Group's unconditional rights to receive consideration from customers that are owned are presented as receivables. The Group's obligation to transfer goods or services to customers for which consideration is receivable for goods received is presented as a contractual liability.

31. Government grants

Government grants are monetary assets and non-monetary assets acquired by the Group from the government without consideration. Government grants are recognized when the Group is able to meet the conditions attached to them and when they can be received.

Government grants are measured at the amount actually received if they are monetary assets. For grants allocated according to a fixed flat rate, or when there is conclusive evidence at the end of the period that the relevant conditions specified in the financial support policy can be met and the financial support funds are expected to be received, the grants are measured at the amount receivable. Government grants are measured at fair

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

value if they are non-monetary assets, or at a nominal amount (RMB 1) if the fair value cannot be reliably obtained.

The Group's government grants are classified as asset-related government grants and revenue-related government grants. Asset-related government grants refer to those obtained by the Group for the acquisition and construction or other formation of long-term assets; revenue-related government grants refer to those other than asset-related government grants. If the recipients of the subsidy are not specified in the government documents, the Group will judge in accordance with the above principle of distinction, and if it is difficult to distinguish, it will be classified as a revenue-related government grant as a whole.

Asset-related government grants are offset against the book value of the related assets or recognized as deferred income.

Asset-related government grants recognized as deferred income are recognized in profit or loss in equal installments over the useful life of the related assets.

If the related assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

Revenue-related government grants that are used to compensate for related costs and expenses or losses in subsequent periods are recognized as deferred income and charged to current profit or loss or offset against related costs in the period in which the related costs and expenses or losses are recognized; those used to compensate for related costs and expenses or losses already incurred are charged directly to current profit or loss or offset against related costs. Government grants related to ordinary activities are charged to other income or offset against related costs and expenses, depending on the substance of the economic operations. Government grants that are not related to ordinary activities are included in non-operating income and expenses.

32. Deferred tax assets and deferred tax liabilities

The Group's deferred tax assets and deferred tax liabilities are recognized based on the difference between the tax bases of assets and liabilities and their book values (temporary differences). For deductible losses and tax credits that can be offset against taxable income in subsequent years in accordance with the provisions of the tax law, a corresponding deferred tax asset is recognized as if they were temporary differences. At 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 in which the assets are recovered or the liabilities are settled.

The Group recognizes deferred tax assets arising from deductible temporary differences based on the taxable income used to offset deductible temporary differences that the Group is likely to receive. The book value of deferred tax assets recognized should be written down when it is probable that sufficient taxable income will not be available to offset the deferred tax assets in future periods. The write-downs are reversed when it is probable that sufficient taxable income will be available.

33. 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, consideration should be given to the ability of the market participant to generate economic benefits from the use of the asset for its best use or the ability to generate economic benefits from the sale of the asset to other market participants who are able to use it for its best use.

(2) Valuation technique

In measuring the underlying assets or liabilities at fair value, the Group uses valuation techniques that are applicable to 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

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

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 a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than Level 1 inputs that are observable for the related asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the related asset or liability.

V. Description of changes in accounting policies and estimates, and correction of errors**1. Changes in accounting policies and their effects**

In 2022, the Ministry of Finance issued the *Notice on Issuance of "Interpretation No. 16 of the Accounting Standards for Business Enterprises"*, which stipulates that the exemption from initial recognition of deferred tax liabilities and deferred tax assets shall not be applied to a single transaction that is not a business combination, that does not affect either accounting profit or taxable profit (or deductible loss) at the time of occurrence of the transaction, and that initially recognizes assets and liabilities that result in an equal amount of taxable temporary differences and deductible temporary differences (including lease transactions where a lessee initially recognizes a lease liability and credits it to the right-of-use asset on the lease commencement date, and transactions where a provision is recognized and charged to the cost of the relevant asset because there is an abandonment obligation for a fixed asset, etc.), and the corresponding deferred tax liabilities and deferred tax assets should be recognized at the time of the transaction, respectively. The Group implemented this provision from January 1st, 2023, with retrospective adjustments to the comparative statements and cumulative effect of taxable temporary differences and deductible temporary differences arising from lease liabilities and right-of-use assets at the date of initial implementation.

Item name	Impacts of changes in accounting policies as at January 1 st , 2023
Deferred tax assets	12,705,091.36
Deferred tax liabilities	12,733,670.50
Undistributed profit	4,511.82

2. Changes in accounting estimates and impacts

The Group had no changes in accounting estimates that needs to be disclosed during the year.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

3. Correction of significant prior period errors and impact

- (1) Impact of passive dilution of the Company's shareholding in Hubei United Development Investment Group Co., Ltd. (hereinafter referred to as the United Investment Group)

In 2008, the Company acquired an 8.89% equity interest in Hubei United Development Investment Group Co., Ltd. (hereinafter referred to as the "Hubei United Investment Group"), which is classified as financial assets at fair value through profit or loss and reported as other non-current financial assets, with fair value valuation based on the market multiple approach.

In December 2016, Hubei United Investment Group Co., Ltd. (hereinafter referred to as the "United Investment Group"), the parent company of Hubei United Investment, injected its entire equity interest in Hubei United Investment Capital Investment Development Co. Ltd. (hereinafter referred to as the "United Investment Capital") into Hubei United Investment Group as a capital contribution to Hubei United Investment Group with the reference date of September 30th, 2016. Hubei United Investment Group temporarily included it in capital surplus at the amount of RMB 2,226 million, which is to be transferred to share capital in future years. Subsequently, the capital increase has not been transferred to share capital as of December 31st, 2022 because the Hubei United Investment Group did not hold a shareholders' meeting to review this matter.

In 2023, the Hubei United Investment Group carried out a retrospective assessment with September 30th, 2016 as the reference date in accordance with the approval of the State-owned Assets Supervision and Administration Commission of the Provincial Government and the actual time of capital increase, and completed the subsequent capital increase. Pursuant to the resolution of the first shareholders' meeting of 2023 of the Hubei United Investment Group held on April 14th, 2023, the registered capital of the Hubei United Investment Group was increased from RMB 4,328 million to RMB 6,555 million, which resulted in a decrease in the Company's shareholding in the Hubei United Investment Group from 6.93% to 4.58%, and after deducting the explicit shareholdings and debts, from 8.89% to 5.36%.

The capital increase of Hubei United Investment Group (capital surplus to paid-in capital) was a retrospective adjustment of the capital increase of United Investment Group in September 2016, and the Company simultaneously made prior period error corrections for the impact of passive dilution of its equity interest in Hubei United Investment Group, reducing other non-current financial assets as of January 1st, 2023 by RMB 604 million, and reducing undistributed earnings at the beginning of the year as of January 1st, 2023 by RMB

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

604 billion.

(2) Correction of prior period errors in the Company's taxes payable

The Company made a retrospective adjustment in the current year for the VAT input tax reversal related to the tax-exempt business of the unified borrowing and lending from 2019 to 2021, which increased the tax payable as of January 1st, 2023 by RMB 7,637,700 and decreased the undistributed profits as of the beginning of 2023 by RMB 7,637,700.

(3) Fair value changes in financial assets of Wuhan Rongwei Escort Security Service Co., Ltd.

Wuhan Rongwei Escort Security Service Co., Ltd. (hereinafter referred to as Rongwei Escort), a second level subsidiary of the Group, holds an 8.5% equity interest in Rongwei Weiye (Wuhan) Information Technology Co., Ltd. which is classified as a financial asset measured at fair value through other comprehensive income and presented as investments in other equity instruments. The financial report of Rongwei Weiye (Wuhan) Information Technology Co., Ltd. for the year of 2023 adjusted the financial statements due to prior period errors, and Rongwei Escort simultaneously made corrections of prior period errors in accordance with the proportion of shareholding and the changes in the net assets of Rongwei Weiye (Wuhan) Information Technology Co. Ltd. by decreasing the investment in other equity instruments of RMB 1,335,600 as of January 1st, 2023, other comprehensive income of RMB 1,013,200, and increasing the deferred tax assets as of January 1st, 2023 by RMB 322,400.

(4) Fair value changes in financial assets of Wuhan Construction Investment Co., Ltd.

Wuhan Construction Investment Co., Ltd., a second level subsidiary of the Group, holds an 8.3963% equity interest in Wuhan Haier Electric Appliance Co., Ltd. which is classified as a financial asset measured at fair value through other comprehensive income and presented as investments in other equity instruments. Construction Investment Co. did not obtain the statements of Wuhan Haier Electric Appliances Co. Ltd. in the previous years, but obtained the statements of Wuhan Haier Electric Appliances Co. Ltd. in the current year, and calculated the fair value of equity in accordance with the proportion of shareholding and the net assets of Wuhan Haier Electric Appliances Co. Ltd. and made corrections of prior period errors, which increased the investment in other equity instruments as of January 1st, 2023 by

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

RMB 48,687,700, the deferred tax liabilities by RMB 12,171,900 and other comprehensive income by RMB 36,515,800.

(5) Fair value changes in financial assets of Wuhan Yangluo Port Services Co., Ltd.

Wuhan Yangluo Port Services Co., Ltd. borrowed USD 7.8 million from Hankou Bank on September 23rd, 2022, which matured on September 23rd, 2023, and did not translate the exchange gain or loss at December 31st, 2022 in accordance with the spot exchange rate at the balance sheet date, which resulted in an understatement of exchange loss of RMB 4,786,900 at December 31st, 2022.

It borrowed USD 17.27 million from the Export-Import Bank of China Hubei Branch on March 16th, 2022, which matured on July 18th, 2023, and did not translate the exchange gain or loss at December 31st, 2022 in accordance with the spot exchange rate at the balance sheet date, which resulted in an understatement of exchange loss of RMB 10,669,200 at December 31st, 2022.

The above two foreign exchange losses as corrections of prior period accounting errors increased the financial expenses in 2022 by RMB 15,456,100 and the short-term borrowings on January 1st, 2023 by RMB 15,456,100.

(6) Wuhan Communications Construction Investment Co., Ltd.

Wuhan Communications Construction Investment Co., Ltd. and its subsidiary Wuhan Zhongyi Transportation Development Company Limited (hereinafter referred to as Zhongyi Company) incurred a loan in 2004, in which the Communications Construction Investment lent RMB 110 million to Zhongyi Company at an interest rate of 7.44% per annum. In 2007, Zhongyi Company returned RMB 13 million of the loan, and the remaining RMB 97 million of the loan has not been returned to date. The loan has accrued interest of RMB 61,446,300 as of the end of 2012; from 2013 to 2022, no interest has been accrued. In 2023, Communications Construction Investment recognized a retroactive interest accrual for 2013 to 2022 and corrected prior period errors by decreasing other payables by RMB 76,915,500 as of January 1st, 2023 and increasing undistributed profits at the beginning of the year as of January 1st, 2023 by RMB 76,915,500, based on the gradual improvement of Zhongyi Company's operating conditions in recent years.

(7) Impact of correction of prior period errors in Wuhan Trade State-owned Holding Group Co., Ltd.

The following is the impact on the statements of Wuhan Trade State-owned Holding Group Co., Ltd. (hereinafter referred to as Trade Holding), a second level subsidiary of the Group, and its subsidiaries due to the correction of prior period errors. As the Company

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

holds a 51% equity interest in Trade Holding, the impact of the following events on the items of the Group's net assets attributable to the parent company is subject to the consideration of the impact of the proportion of shareholding.

1) Wuhan Trade State-owned Holding Group Co., Ltd.

a. Wuhan Trade State-owned Holding Group Co., Ltd. received dividend payment from its subsidiary Wuhan Roulian Food Co., Ltd. in 2018 without recognizing the investment income, and is now correcting its prior period error by increasing profit distribution-undistributed profits at the beginning of the year by RMB 125,000,000.00, and decreasing other payables-Wuhan Roulian Food Co., Ltd. by RMB 125,000,000.00.

b. Wuhan Trade State-owned Holding Group Co., Ltd. received dividend payment from its subsidiary Wuhan Roulian Food Co., Ltd. in 2018 without recognizing surplus reserve, and is now correcting its prior period error by decreasing profit distribution-undistributed profits at the beginning of the year by RMB 12,500,000.00, and increasing statutory surplus reserve by RMB 12,500,000.00.

2) Wuhan Roulian Food Co., Ltd.

a. Wuhan Wanton Huazhong Cold Chain Port Co., Ltd., a subsidiary of Wuhan Roulian Food Co., Ltd. has over-accrued depreciation of fixed assets due to an accounting error in the prior period, and is now correcting the prior period error by increasing fixed assets by RMB 5,754,397.21 and undistributed profits by RMB 5,754,397.21, and decreasing operating costs for 2022 by RMB 5,754,397.21.

b. Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd., a subsidiary of Wuhan Roulian Food Co., Ltd., adjusted its net assets in 2022, and is now correcting the prior period error by decreasing long-term equity investment by RMB 56,775,554.74, and decreasing profit distribution-undistributed profits at the beginning of the year by RMB 55,865,042.67, and decreasing investment income in associates and joint ventures by RMB 910,512.07.

c. Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd., a subsidiary of Wuhan Roulian Food Co., Ltd., overly accrued depreciation on fixed assets as a result of the previous accounting error, and is now correcting the prior period error by increasing long-term equity investment by RMB 36,351,632.41, profit distribution - undistributed profits at the beginning of the year by RMB 19,467,815.00, and investment income from associates and joint ventures by RMB 16,883,817.41.

d. Wuhan Wandun Cold Storage Logistics Co., Ltd., a subsidiary of Wuhan Roulian Food Co., Ltd., recognized tax on demolition and relocation payments by RMB 613,041,132.77, and is now correcting the prior period error by increasing profit

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

distribution-undistributed profits at the beginning of the year by RMB 613,041,132.77, and decreasing the tax payable by RMB 613,041,132.77.

e. Wuhan Wandun Cold Storage Logistics Co., Ltd., a subsidiary of Wuhan Roulian Food Co., Ltd., adjusted the shareholders' dividend according to the agreement of shareholders' meeting in 2018, and is now correcting the prior period error by decreasing profit distribution-undistributed profits at the beginning of the year by RMB 875,000,000.00, other receivables-Wuhan Roulian Food Co., Ltd. by RMB 457,887,500.00, and other receivables-Wuhan Cold Storage Logistics Management Co., Ltd. by RMB 417,112,500.00.

f. Wuhan Roulian Food Co., Ltd. made a remedial tax payment of RMB 879,661.63 for the year 2019-2022, and is now correcting the prior period error by decreasing the undistributed profits by RMB 879,661.63 and increasing the tax payable by RMB 879,661.63.

g. Wuhan Roulian Food Co., Ltd. received dividend payment from its subsidiary Wandun in 2018 without recognizing the investment income, and is now correcting its prior period error by increasing profit distribution-undistributed profits at the beginning of the year by RMB 457,887,500.00, and decreasing other payables-Wuhan Wandun Cold Storage Logistics Co., Ltd. by RMB 457,887,500.00.

h. Wuhan Roulian Food Co., Ltd. received a dividend payment from its subsidiary Wandun in 2018 without recognizing surplus reserve, and is now correcting its prior period error by decreasing profit distribution-undistributed profits at the beginning of the year by RMB 45,788,750.00, and increasing statutory surplus reserve by RMB 45,788,750.00.

i. Wuhan Roulian Food Co., Ltd., adjusted the shareholders' dividend according to the resolution of the shareholders' meeting in 2018, and is now correcting the prior period error by decreasing profit distribution-undistributed profits at the beginning of the year by RMB 250,000,000.00, other receivables-Wuhan Trade State-owned Holding Group Co., Ltd. by RMB 125,000,000.00, and other receivables-Hubei Diantong Investment Management Co., Ltd. by RMB 125,000,000.00.

3) WuHan Foods StockPile Co., Ltd.

a. In 2023, Wuhan Chuniuxiang Ecological Breeding Co., Ltd., a subsidiary of WuHan Foods StockPile Co., Ltd., provided remedial depreciation of fixed assets from May 2010 to December 2022 amounting to RMB 2,242,843.41, of which RMB 2,097,045.2 belonged to depreciation of the years prior to 2022 decreasing undistributed profits at the beginning of the year 2022, and RMB 145,798.21 belonged to the depreciation in the year of 2022 increasing the administrative expenses in 2022; the inventories that no longer existed before 2022 are adjusted to decrease inventories by RMB 87,359.00, and the undistributed profits

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

at the beginning of the year of 2022 are decreased by RMB 87,359.00.

b. Wuhan Guanghui Economic and Trade Development Co., Ltd., a subsidiary of Wuhan Foods Stockpile Co., Ltd., under-accrued accumulated depreciation prior to 2022 by RMB 50,289.99, so it increased accumulated depreciation by RMB 50,289.99, and decreased undistributed profits at the beginning of 2022 by RMB 50,289.99.

In 2023, Hubei Jingkang Sugar Co., Ltd., a subsidiary of Wuhan Foods Stockpile Co., Ltd., made a remedial land use tax and overdue fees from 2020 to 2022 of RMB 523,713.60, of which the remedial land use tax from 2020 to 2021 of RMB 295,729.08 decreases undistributed profits at the beginning of the year, and the remedial land use tax for 2022 of RMB 82,146.96 increases the taxes and surcharges in 2022. The overdue fees of RMB 145,837.56 incurred decreases the undistributed profits at the beginning of the year.

VI. Taxes**1. Main tax types and rates**

Type of tax	Taxation basis	Tax rate/levy rate
Value-added tax (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.	6%, 9%, 13%, percentage charges 3%, 5%. The "Exemption, credit and refund" tax policy for exported goods is implemented, and the refund rate is 13%.
City maintenance and construction tax	Amount of turnover tax payable	7%
Education surcharge	Amount of turnover tax payable	3%
Local education surcharge	Amount of turnover tax payable	2%
Land use tax	Land use area	15, 12, 4.5 RMB/m ² /year
Property tax	1.2% of the original value of the property less 20% and 30% of the remaining value in one lump sum for the operation of self-occupied premises; for rental premises, 12% of the rental income	1.2%, 12%
Enterprise income tax	Taxable income	25%、20%、17%、16.50%、15%

Implementation of different enterprise income tax rates for taxable entities

Name of taxable entity	Abbreviation	Income tax rates
Hangjin Jinxi Chlor Alkali Chemical Co., Ltd.	Chlor Alkali Chemical	15%
Changsha Shaoguang Semiconductor Co., Ltd.	Changsha Shaoguang	Reduced levy of 10%
Vincotech Electronic MODULES (Shenzhen) Co., Ltd.	Vincotech Electronic	15%
Hunan Jiuqiang Xundun Information Technology Co., Ltd.	Hunan Jiuqiang	Reduced by half at 25% in 2021-2023
Wuhan Navigation and LBS, Inc.	Wuhan Navigation & LBS	15%

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of taxable entity	Abbreviation	Income tax rates
Shenzhen Cestar Electronic Technology Co., Ltd.	Shenzhen Cestar	15%
Honglin Microelectronics (Kunshan) Co., Ltd.	Honglin Microelectronics	15%
Wuhan Chaoqing Technology Co., Ltd.	Chaoqing Technology	15%
CE Star (HK) Co., Limited	HK CE Star	16.50%
NADDOD PTE. LTD.	NADDOD Singapore	17%
Wuhan Credit Information Management Co., Ltd.	Credit Information	15%
Chongqing Wandun Cold Storage Logistics Co., Ltd.	Chongqing Wandun	15%
Small and micro-profit enterprises		20%
Other taxable entities other than the above		25%

2. Tax benefits and approvals**(1) VAT tax benefits**

1) Pursuant to the *Circular of the Ministry of Finance and the State Taxation Administration on the Adjustment of VAT Policy on Military Products* (Cai Shui [2021] No. 67), from January 1st, 2022 onwards, the sales contracts of military products entered into by Changsha Shaoguang, a subsidiary of the Company, are subject to VAT in accordance with the regulations. Contracts of military products entered into before January 1st, 2022 are exempted from VAT in accordance with the *Circular of the Ministry of Finance and the State Taxation Administration on the VAT Policy on Military Products* (Cai Shui [2014] No. 28).

2) Pursuant to the *Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the VAT Relief and Exemption Policy for Small-scale VAT Taxpayers* (Announcement No. 1 of 2023 of the Ministry of Finance and the State Taxation Administration), from January 1st, 2023 to December 31st, 2023, small-scale VAT taxpayers with a monthly sales volume of less than RMB 100,000 (inclusive) are exempt from VAT. From January 1st, 2023 to December 31st, 2023, small-scale VAT taxpayers to which the levy rate of 3% on their taxable sales revenue applied are subject to a reduced VAT levy rate of 1%; and the VAT on the items subject to VAT prepayment at the pre-collection rate of 3% are prepaid at the reduced pre-collection rate of 1%.

3) Pursuant to the *Circular of the Ministry of Finance and the State Taxation Administration on the VAT Exemption for Grain Enterprises* (Cai Shui Zi [1999] No. 198), the subsidiaries of the Group, Wuhan Dahualing Grain and Oil Reserve Co., Ltd. and Wuhan Hongshanku Grain and Oil Reserve Co., Ltd. are entitled to the preferential policy of VAT exemption for income derived from the rotation of municipal reserve grains (rice).

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

4) Wuhan Roulian Food Co., Ltd., a subsidiary of the Group, was exempted from VAT on the distribution of certain fresh meat and egg products in accordance with the *Notice of the State Taxation Administration on the Policy of Exemption from VAT on the Distribution of Certain Fresh Meat and Egg Products* (Cai Shui [2012] No. 75).

(2) Income tax benefits

1) On October 16th, 2023, Changsha Shaoguang was jointly recognized as a high-tech enterprise by the Department of Science and Technology of Hunan Province, the Hunan Provincial Department of Finance and the Hunan Provincial Tax Service, State Taxation Administration, and obtained the *High-tech Enterprise Certificate* (No. GR202343000962) which is valid for three years. The income tax is levied at a reduced rate of 15% and the preferential period for enterprise income tax is from 2023 to 2025. According to the *Notice of the State Council on the Issuance of Several Policies to Promote High-quality Development of Integrated Circuit Industry and Software Industry in the New Era* (Guo Fa [2020] No. 8), the company belongs to the key integrated circuit design enterprises and software enterprises encouraged by the State, which shall be exempted from enterprise income tax from the first year to the fifth year starting from the profit-making year, and the enterprise income tax shall be levied at a reduced rate of 10% in following years.

2) Vincotech Electronic was jointly recognized as a high-tech enterprise by the Shenzhen Science and Technology Innovation Commission, Finance Bureau of Shenzhen Municipality and Shenzhen Tax Service, State Taxation Administration on December 25th, 2023 and obtained the *High-tech Enterprise Certificate* (No. GR202344208259), which is valid for three years. The income tax is levied at a reduced rate of 15% and the preferential period for enterprise income tax is from 2023 to 2025.

3) Hunan Jiuqiang was jointly recognized by the Department of Science and Technology of Hunan Province, the Hunan Provincial Department of Finance and the Hunan Provincial Tax Service, State Taxation Administration on October 18th, 2022 and obtained the *High-tech Enterprise Certificate* (No. GR202243001908), which is valid for three years. The income tax is levied at a reduced rate of 15% and the preferential period for enterprise income tax is from 2022 to 2024. According to the *Notice on Enterprise Income Tax Policies to Further Encourage the Development of Software Industry and Integrated Circuit Industry* (Cai Shui [2012] No. 27), the *Notice on Issues Relating to Preferential Enterprise Income Tax Policies for Software and Integrated Circuit Industry* (Cai Shui [2016] No. 49), the *Announcement on Policies Applicable to the 2019 Annual Enterprise Income Tax Settlement of Integrated Circuit Design and Software Enterprises* (Announcement No. 29 of 2020 by the Ministry of Finance and the State Taxation Administration), the company is exempt from

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

enterprise income tax from the first to the second year, and the enterprise income tax is levied at a 50% reduction in the statutory tax rate of 25% from the third to the fifth year starting from 2019.

4) Wuhan Navigation & LBS was jointly recognized by the Department of Science and Technology of Hubei Province, the Department of Finance of Hubei Province and the Hubei Provincial Tax Service, State Taxation Administration on November 9th, 2022 and obtained the *High-tech Enterprise Certificate* (GR202242003057), which is valid for three years. The income tax is levied at a reduced rate of 15% and the preferential period for enterprise income tax is from 2022 to 2024.

5) Shenzhen Cestar was jointly recognized as a high-tech enterprise by the Shenzhen Science and Technology Innovation Commission, Finance Bureau of Shenzhen Municipality and Shenzhen Tax Service, State Taxation Administration on December 14th, 2022 and obtained the *High-tech Enterprise Certificate* (GR202244201562), which is valid for three years. The income tax is levied at a reduced rate of 15% and the preferential period for enterprise income tax is from 2022 to 2024.

6) Honglin Microelectronics was jointly reviewed and recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province and the Jiangsu Provincial Tax Service, State Taxation Administration on November 3rd, 2021, which is valid for three years with a reduced income tax rate of 15% and a preferential enterprise income tax period from 2021 to 2023.

7) Credit Information was jointly recognized as a high-tech enterprise by the Department of Science and Technology of Hubei Province, the Department of Finance of Hubei Province and the Hubei Provincial Tax Service, State Taxation Administration on December 1st, 2020, which is valid for three years with a reduced income tax rate of 15% and a preferential enterprise income tax period from December 1st, 2020 to December 1st, 2023.

8) Chongqing Wandun is entitled to a preferential tax policy of 15% enterprise income tax rate in accordance with Article 2 of the *Notice on Tax Policy Issues Related to the Further Implementation of the Western Development Strategy* (Cai Shui [2011] No. 58) issued by the Ministry of Finance, the General Administration of Customs and the State Taxation Administration.

9) According to the *Announcement on Preferential Policies on Income Tax for Micro and Small Enterprises and Individual Businesses* (Announcement No. 6 of 2023 of the Ministry of Finance and the State Taxation Administration), from January 1st, 2023 to December 31st, 2024, for small micro-profit enterprises, the portion of their annual taxable

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

income not exceeding RMB 1 million is included in taxable income at a reduced percentage of 25% and subject to the enterprise income tax rate of 20%.

(3) Other preferential policies

1) According to Article 8 of the *Notice of the State Taxation Administration on the Issuance of <Supplementary Provisions on Certain Specific Issues Concerning Land Use Tax>* (89) (Guo Shui Di Zi No. 140), security land for fire, explosion, and toxic substance prevention can enjoy land use tax reduction and exemption.

2) Pursuant to the *Announcement of the Ministry of Finance and the State Taxation Administration on Continuing to Implement the Preferential Urban Land Use Tax Policies for Land Used for Bulk Commodity Storage Facilities for Logistics Enterprises* (Announcement No. 5 of 2023 of the Ministry of Finance and the State Taxation Administration), from January 1st, 2023 to December 31st, 2027, Wuhan Roulian Food Co., Ltd., a subsidiary of the Group, is subject to a reduced urban land use tax of 50% of the applicable tax rate of the land class to which it belongs in respect of the land owned (including those self-used and rented out) or leased for bulk commodity storage facilities.

VII. Business combinations 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	Place of registration	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
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.	II	1	Wuhan	Wuhan	Investment and development
6	Wuhan Yangluo Development Co., Ltd.	II	1	Wuhan	Wuhan	Investment in development zone construction
7	Wuhan Financial Assets Exchange Co., Ltd.	II	1	Wuhan	Wuhan	Financial assets trading and consulting
8	Wuhan Changjiang Financial Service Co., Ltd.	II	1	Wuhan	Wuhan	Financial information and data processing service; Financial software technology development, etc.
9	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

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements

 January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

No.	Company name	Level	Business type	Main place of business	Place of registration	Business nature
						valuables
10	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.
11	Guotong Trust Co., Ltd.	II	2	Wuhan	Wuhan	Fund trusts; trusts for movable property; trusts for immovable property; trusts for marketable securities; trusts for other property or property rights
12	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.
13	Wuhan Changjiang International Trade Group Co., Ltd.	II	1	Wuhan	Wuhan	Sales of non-metallic minerals and products; sales of chemical products, etc.
14	Wuhan Trade State-owned Holding Group Co., Ltd.	II	1	Wuhan	Wuhan	Management and investment of state-owned assets
15	Hubei Dinghao Smart Energy Co., Ltd.	II	1	Wuhan	Wuhan	Electricity, heat production and supply

(Continued)

No.	Company name	Paid-in capital	Shareholding ratio (%)	Voting right (%)	Investment amount	Acquisition method
1	Wuhan Development Investment Co., Ltd.	14,400,000,000.00	100.00	100.00	17,709,861,927.36	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.	502,872,724.87	100.00	100.00	543,464,092.48	4
4	Wuhan Construction Investment Company	300,000,000.00	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 Yangluo Development Co., Ltd.	555,000,000.00	100.00	100.00	553,426,881.58	4
7	Wuhan Financial Assets Exchange Co., Ltd.	120,000,000.00	75.00	75.00	90,000,000.00	1
8	Wuhan Changjiang Financial Service Co., Ltd.	270,000,000.00	80.00	80.00	212,245,515.00	1
9	Wuhan Rongwei Escort Security Service Co., Ltd.	260,000,000.00	100.00	100.00	270,643,110.29	4
10	Hubei Financial Leasing Co., Ltd.	4,000,000,000.00	49.00	49.00	1,470,000,000.00	1

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

No.	Company name	Paid-in capital	Shareholding ratio (%)	Voting right (%)	Investment amount	Acquisition method
11	Guotong Trust Co., Ltd.	4,158,374,776.08	75.00	75.00	9,174,763,105.61	3
12	Wuhan Changjiang Asset Operation Management Co., Ltd.	144,200,000.00	100.00	100.00	202,917,893.25	1
13	Wuhan Changjiang International Trade Group Co., Ltd.	5,295,261,807.78	100.00	100.00	5,295,261,807.78	1
14	Wuhan Trade State-owned Holding Group Co., Ltd.	670,000,000.00	51.00	51.00	615,223,216.33	4
15	Hubei Dinghao Smart Energy Co., Ltd.	37,500,000.00	75.00	75.00	37,500,000.00	1

Note: Business type: 1. domestic non-financial subsidiaries; 2. domestic financial subsidiaries; 3. overseas subsidiaries; 4. public institutions; 5. infrastructure units.

Acquisition method: 1. established by investment; 2. a business combination under common control; 3. a business combination not under common 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	Shareholding ratio (%)	Voting right (%)	Registered capital	Investment amount	Level	Reasons for inclusion in the scope of consolidation
Hubei Financial Leasing Co., Ltd.	49.00	49.00	4,000,000,000.00	1,470,000,000.00	II	Having effective control

In June 2015, the Company jointly established Hubei Financial Leasing Co., Ltd. (hereinafter referred to as "Hubei Financial Leasing Company") 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 Company.

3. Change in scope of consolidation during the period

(1) Second level entities newly included in the scope of consolidation during the period

Company name	Shareholding ratio (%)	Voting right (%)	Net assets at the end of the period	Net profit for the period
Hubei Dinghao Smart Energy Co., Ltd.	75.00	75.00	54,969,870.64	4,969,870.64

Note: According to the *Resolution of the Sixth Meeting of the Third Session of the Board of Directors of Wuhan Financial Holdings (Group) Co., Ltd.* (Reached by signed circular) (WJKD [2023] No. 104), the Company established a joint venture subsidiary, Hubei Dinghao

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Smart Energy Co., Ltd. (hereinafter referred to as “Hubei Dinghao Company”) with Wuhan Qiyi Capital Private Fund Management Co., Ltd. and the Company is the controlling shareholder of Hubei Dinghao Company and can control the business decisions of Hubei Dinghao Company.

- (2) Significant third level companies newly included in the scope of consolidation during the period (licensed financial institutions)

Company name	Shareholding ratio (%)	Voting right (%)	Net assets at the end of the period	Net profit for the period
Huayuan Securities Co., Ltd.	50.00	50.00	4,773,800,251.95	-85,701,610.67

Note: On March 31st, 2023, the subsidiary, Development Investment Company, acquired a 50% equity interest in Huayuan Securities Co., Ltd. (hereinafter referred to as “Huayuan Securities Company”) through a business combination not under common control.

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

4. Significant non-wholly owned subsidiaries**(1) Non-controlling interests**

No.	Name of subsidiary	Non-controlling interests shareholding ratio	Profit or loss attributable to non-controlling interests in the current period	Dividends paid to non-controlling interests in the current period	Accumulated non-controlling interests at the end of the period
1	Hubei Financial Leasing Co., Ltd.	51.00%	218,226,638.02		3,541,375,460.82
2	Guotong Trust Co., Ltd.	25.00%	136,321,674.32		2,024,035,391.51

(2) Key financial information

Item	Closing balance/incurred in the current period	
	Hubel Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.
Total assets	62,584,544,711.93	11,008,523,996.27
Total liabilities	55,640,671,259.38	2,682,378,994.46
Operating income	3,267,843,169.48	547,287,744.14
Net profits	427,895,368.66	545,286,697.28
Total comprehensive income	427,831,418.71	545,286,697.28
Cash flows from operating activities	3,544,128,944.50	-594,650,134.35

(Continued)

Item	Opening balance/incurred in the previous period	
	Hubel Financial Leasing Co., Ltd.	Guotong Trust Co., Ltd.
Total assets	52,391,371,824.18	9,162,442,589.02
Total liabilities	45,875,329,790.34	1,381,584,284.49
Operating income	3,316,643,610.51	892,509,495.09
Net profits	956,123,380.76	587,446,222.34
Total comprehensive income	956,123,380.76	587,446,222.34
Cash flows from operating activities	-529,814,751.76	-520,757,236.40

VIII. Notes to significant items in the consolidated financial statements

In the financial statement data disclosed below, "Closing" refers to December 31st, 2023, and "Opening" refers to January 1st, 2023; "Current period" refers to January 1st to December 31st, 2023 and "Prior period" refers to January 1st to December 31st, 2022; the currency unit shall be in RMB unless otherwise stated.

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

1. Cash and cash equivalents**(1) Balance of cash and cash equivalents**

Item	Closing balance	Opening balance
Cash on hand	2,501,886.60	3,177,008.06
Bank deposit	11,333,378,850.84	8,608,762,759.55
Other cash and cash equivalents	1,246,708,937.84	708,211,809.57
Total	12,582,589,675.28	9,320,151,577.18
Including: Total funds held outside the country	8,102,260.87	2,583,684.59

(2) Details of restricted cash and cash equivalents

Item	Closing balance	Opening balance
Margin on bank acceptances	585,326,233.77	310,245,000.02
Letter of credit margin	43,600,000.00	9,990,400.00
Performance bond	225,628,461.75	275,575,500.11
Time deposits or call deposits for security purposes	192,740,000.00	55,000,000.00
Deposit of Central Bank legal reserve	70,028,368.58	69,005,733.90
Others	369,497,725.20	2,849,686.72
Total	1,486,820,789.30	722,666,320.75

Note: Others in the restricted cash and cash equivalents at the end of the period mainly represent RMB 150,832,259.67 of cash and cash equivalents frozen by judicial authorities or other organizations from the subsidiary Huayuan Securities Company, RMB 72,581,639.71 of special deposit for electricity bills of the subsidiary Hangjin Technology Co., Ltd., and RMB 143,217,836.43 of judicially frozen funds of the subsidiary Trade Holding. As of the reporting date of the financial statements, RMB 143,217,836.43 of other restricted funds of Trade Holding had been released from restriction.

2. Provision for settlement

Item	Closing balance	Opening balance
Customer provisions	318,023,315.93	
Corporate provisions	67,324,117.97	
Total	385,347,433.90	

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

3. Lending to banks and other financial institutions

Item	Closing balance	Opening balance
Lending to other banks	700,000,000.00	997,655,707.02
Lending to non-banking financial institutions	1,337,500.01	57,708,747.26
Less: Provision for loan losses	904,562.31	7,509,419.53
Book value of lending to banks and other financial institutions	700,432,937.70	1,047,855,034.75

4. Financial assets held for trading

Item	Closing fair value	Opening fair value
Financial assets are classified as at fair value through profit or loss	10,919,743,145.04	5,013,003,374.19
Including: Investments in debt instruments	5,463,547,840.13	3,780,030,758.04
Investments in equity instruments	5,423,135,226.91	1,169,200,522.35
Others	33,060,078.00	63,772,093.80
Total	10,919,743,145.04	5,013,003,374.19

5. Notes receivable**(1) Classification of notes receivable**

Category	Closing balance		
	Book balance	Provision for bad debts	Book value
Bank acceptance	253,881,265.79	9,121,516.47	244,759,749.32
Trade acceptance	227,206,456.17	10,105,937.73	217,100,518.44
Total	481,087,721.96	19,227,454.20	461,860,267.76

(Continued)

Category	Opening balance		
	Book balance	Provision for bad debts	Book value
Bank acceptance	587,665,179.94	7,824,455.27	579,840,724.67
Trade acceptance	242,610,000.90	11,839,939.45	230,770,061.45
Total	830,275,180.84	19,664,394.72	810,610,786.12

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Provision for bad debts on notes receivable

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	481,087,721.96	100.00	19,227,454.20	4.00	461,860,267.76
Total	481,087,721.96	—	19,227,454.20	4.00	461,860,267.76

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Provision for bad debts on an individual basis	794,599.25	0.10	25,828.96	3.25	768,770.29
Provision for bad debts on a portfolio basis	829,480,581.59	99.90	19,638,565.76	2.37	809,842,015.83
Total	830,275,180.84	—	19,664,394.72	2.37	810,610,786.12

1) Bad debt provision for notes receivable accrued, recovered or reversed during the period

Type	Opening balance	Changes during the period				Closing balance
		Accrual	Recovery or reversal	Write-off	Other changes	
Notes receivable for which provision for expected credit loss is made on an individual basis	25,828.96	-25,828.96				
Notes receivable for which provision for expected credit loss is made on a portfolio basis	19,638,565.76	-306,062.51	105,049.05			19,227,454.20
Total	19,664,394.72	-331,891.47	105,049.05			19,227,454.20

(3) Notes receivable endorsed or discounted at the end of the period and not yet due at the balance sheet date

Category	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance	1,398,606,976.19	
Trade acceptance		
Total	1,398,606,976.19	

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

6. Accounts receivable**(1) Disclosure of accounts receivable by aging**

Aging	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 1 year (including 1 year)	2,604,338,846.26	125,048,781.31	1,552,485,524.28	51,685,559.52
1-2 years	477,249,631.32	33,784,575.20	323,499,276.63	32,176,846.02
2-3 years	198,996,685.49	30,727,205.33	172,589,353.14	5,988,894.89
Over 3 years	1,282,685,284.20	972,601,158.75	556,681,444.83	402,148,454.13
Total	4,563,270,447.27	1,162,161,720.59	2,605,255,598.88	491,999,754.56

Note: There was no articulation between the aging of accounts receivable at the end of the period and at the beginning of the period, and the large change of accounts receivable at the end of the period compared with the beginning of the period was due to the inclusion of Huayuan Securities Company and Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd. into the consolidation of the period.

(2) Disclosure of accounts receivable by method of provision for bad debts

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Accounts receivable for which bad debt provision is made on an individual basis	152,931,198.19	3.35	152,875,731.11	99.96	55,467.08
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	4,410,339,249.08	96.65	1,009,285,989.48	22.88	3,401,053,259.60
Total	4,563,270,447.27	—	1,162,161,720.59	25.47	3,401,108,726.68

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Accounts receivable for which bad debt provision is made on an individual basis	192,831,983.62	7.40	139,383,150.53	72.28	53,448,833.09
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	2,412,423,615.26	92.60	352,616,604.03	14.62	2,059,807,011.23
Total	2,605,255,598.88	—	491,999,754.56	18.88	2,113,255,844.32

(3) Accounts receivable for which provision for bad debts is made on an individual basis at the end of the period

Name of debtor	Book balance	Provision for bad debts	Expected credit loss ratio (%)	Accrual reason
Wuhan Industrial Investment Asset Management Co., Ltd.	50,000,000.00	50,000,000.00	100.00	Expected to be recovered with difficulty
Fangzheng Dongya - Dongxing No. 33 Victoria Moore City Collective Trust Scheme	40,820,601.16	40,820,601.16	100.00	Not expected to be recovered
Tongyi Industrial Group Co., Ltd.	17,631,183.32	17,631,183.32	100.00	Not expected to be recovered
Fangzheng Dongya - Fangxing No. 322 Jurong Chishan Lake PPP Pooled Fund Trust Scheme	3,218,065.23	3,218,065.23	100.00	Not expected to be recovered
China Electronics XT Science & Technology (Beijing) Co., Ltd.	2,939,616.03	2,939,616.03	100.00	Not expected to be recovered
Liaoning Beidou Satellite Navigation Platform Co., Ltd.	2,441,186.16	2,385,719.08	97.73	Not expected to be recovered
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
Ganzhou Guangtai Supply Chain Co., Ltd.	1,068,553.49	1,068,553.49	100.00	Not expected to be recovered
Huaxia CPV (Inner Mongolia) POWER Co., Ltd.	840,000.00	840,000.00	100.00	Not expected to be recovered
Qianxun Spatial Intelligence Inc.	776,460.00	776,460.00	100.00	Not expected to be recovered
Huizhou HND Technology Co., Ltd.	667,375.33	667,375.33	100.00	Not expected to be recovered
Shaanxi Heyang Guihua Clean Energy Co., Ltd.	540,000.00	540,000.00	100.00	Not expected to be recovered
Shenzhen Grentech RF Communication Limited	509,051.72	509,051.72	100.00	Not expected to be recovered
Tangshan Chaoyang Chemical Co., Ltd.	303,646.80	303,646.80	100.00	Not expected to be recovered

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of debtor	Book balance	Provision for bad debts	Expected credit loss ratio (%)	Accrual reason
Fangzheng Dongya - Collective Loan Pooled Fund Trust Scheme for Joint Development of Grid-connected Photovoltaic Power Station Project	222,333.36	222,333.36	100.00	Not expected to be recovered
Anhui EHE New ENERGY Tech Co., Ltd.	161,020.00	161,020.00	100.00	Not expected to be recovered
Fangzheng Dongya - Tempus and Buttonwood Company Acquisition Pooled Fund Trust Scheme	159,460.67	159,460.67	100.00	Not expected to be recovered
Wuhan LJDY Technology Co., Ltd.	132,000.00	132,000.00	100.00	Not expected to be recovered
Shaoxing Hengfeng Polyurethane Industry Co., Ltd.	83,729.24	83,729.24	100.00	Not expected to be recovered
Shandong Taifeng Mine Industry 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
Shandong Bluestar Dongda Co., Ltd.	11,730.20	11,730.20	100.00	Not expected to be recovered
Jiuzheng Capital Investment Co., Ltd.	5,000.00	5,000.00	100.00	Not expected to be recovered
Wuhan University	4,800.00	4,800.00	100.00	Not expected to be recovered
Huludao Nanpiao District Zhengmao Ferroalloy Factory	4,239.60	4,239.60	100.00	Not expected to be recovered
Jizhou Quanxing Thermal Insulation Chemical Plant	925.80	925.80	100.00	Not expected to be recovered
Shandong Jintong New Material Co., Ltd.	577.20	577.20	100.00	Not expected to be recovered
Others	324,623.00	324,623.00	100.00	Not expected to be recovered
Aggregation of individual items of Trade Holding	26,491,636.83	26,491,636.83	100.00	Not expected to be recovered
Total	152,931,198.19	152,875,731.11		

(4) Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics

1) Other portfolios

Portfolio name	Closing balance		
	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	3,947,925,572.59	25.56	1,009,285,989.48
Portfolio 2 Low-risk portfolio	462,413,676.49		
Total	4,410,339,249.08	---	1,009,285,989.48

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(Continued)

Portfolio name	Opening balance		
	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	2,384,648,360.09	14.79	352,616,604.03
Portfolio 2 Low-risk portfolio	27,775,255.17		
Total	2,412,423,615.26	---	352,616,604.03

(5) Bad debt provision recovered or reversed

Name of debtor	Amount recovered or reversed	Amount of accumulated bad debt provision before reversal or recovery	Reason for and method of reversal or recovery
Jizhong Energy International Logistics Group Co., Ltd.	143,645,132.46	143,645,132.46	Recovery of funds
Wuhan Junchi Oil Co., Ltd.	44,872.00	44,872.00	Recovery of funds
Qingdao Muhejia Food Co., Ltd.	698,579.84	134,517.83	Recovery of funds
Total	144,388,584.30	143,824,522.29	---

(6) Top five accounts receivable with closing balances, grouped by party in arrears

Name of debtor	Book balance	As a percentage of the total accounts receivable (%)	Provision for bad debts
Shanghai Tongkun Industrial Co., Ltd.	252,739,677.69	5.54	252,739,677.69
Guangdong ZHEN RONG ENERGY Co., Ltd.	121,809,464.43	2.67	121,809,464.43
Customer 1 (Hangjin Technology' customer, and the customer name is confidential)	74,869,639.61	1.64	4,585,134.89
JETSONELECTRICBIKESLLC	55,026,762.70	1.21	310,244.69
FAW Logistics Co., Ltd.	53,511,002.48	1.17	362,715.20
Total	557,956,546.91	12.23	379,807,236.90

7. Receivables financing

Category	Closing balance	Opening balance
Notes receivable	25,788,239.92	59,494,897.71
Accounts receivable		
Total	25,788,239.92	59,494,897.71

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

8. Prepayments**(1) Aging of prepayments**

Aging	Closing balance		
	Book value		Provision for bad debts
	Amount	Ratio (%)	
Within 1 year (including 1 year)	8,447,563,180.66	94.88	
1-2 years	431,258,904.80	4.85	
2-3 years	9,343,008.16	0.10	
Over 3 years	15,390,418.08	0.17	1,640,400.00
Total	8,903,555,511.70	---	1,640,400.00

(Continued)

Aging	Opening balance		
	Book value		Provision for bad debts
	Amount	Ratio (%)	
Within 1 year (including 1 year)	5,895,126,030.26	96.39	
1-2 years (including 2 years)	61,870,140.75	1.01	137,854.62
2-3 years (including 3 years)	7,434,827.57	0.12	
Over 3 years	151,479,186.84	2.48	
Total	6,115,910,185.42	---	137,854.62

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Significant prepayments aged over 1 year and uncollected

Creditor	Debtor	Closing balance	Aging	Reasons for non-settlement
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Wuhan Branch of China Railway Bridge Survey and Design Institute Group Co., Ltd.	134,668,786.00	1-2 years	The project has yet to be completed
Wuhan Yangluo Development Co., Ltd.	Shaanxi Spaceflight Heyday Toyota Automobile Sales and Service Co., Ltd.	116,375,000.00	1-2 years	Not yet fully settled
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	Heilongjiang Mudanjiang Nongken Tianhao Grain and Oil Distribution Co., Ltd.	62,252,519.44	1-2 years	The operations have yet to be completed
Wuhan Jinkong NEV Leasing Co., Ltd.	Qingdao Longteng Siyuan Automobile Sales and Service Co., Ltd.	38,958,000.00	1-2 years	Not yet fully settled
Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	Shanghai Juyi International Trade Co., Ltd.	26,156,444.60	1-2 years	The operations have yet to be completed
Wuhan Jinkong NEV Leasing Co., Ltd.	Liaoning Yashang Automobile Sales Co., Ltd.	13,366,000.00	1-2 years	Not yet fully settled
Wuhan Jinkong NEV Leasing Co., Ltd.	Guangxi Tong Sheng Finance Leasing Co., Ltd.	12,000,000.00	1-2 years	Not yet fully settled
Wuhan State-owned Industry Investment Co., Ltd.	HuangGang Intermediate People's Court of Hubei Province	3,211,448.00	2-3 years	In process
Wuhan Sha'ou Hefeng Oil Co., Ltd.	Wuhan Hanfu SUPERMARKET Co., Ltd.	1,640,400.00	Over 3 years	Not expected to be recovered
Wuhan Changfa Land Co., Ltd.	Hongshan Land Preparation and Reserve Center	1,064,266.38	Over 3 years	Project terminated, to be withdrawn
Wuhan Guanghui Economic and Trade Development Co., Ltd.	Wuhan Hankou Beixinhe Agriculture and Trade Market Co., Ltd.	1,035,640.00	Over 3 years	Non-delivery
Wuhan Changfa Land Co., Ltd.	Dadi Architects (International) Hangzhou Branch	920,000.00	Over 3 years	Project terminated, to be withdrawn
Wuhan Wanton Huazhong Cold Chain Port Co., Ltd.	Domestic Trade Engineering Design and Research Institute	780,000.00	Over 3 years	Not settled
Wuhan Changfa Land Co., Ltd.	Wuhan Land Use and Urban Spatial Planning Research Center	430,000.00	Over 3 years	Project terminated, to be withdrawn
Wuhan Changfa Land Co., Ltd.	Pujiang Zhongbang Real Estate Consulting Co., Ltd.	400,000.00	Over 3 years	Project terminated, to be withdrawn

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Creditor	Debtor	Closing balance	Aging	Reasons for non-settlement
Wuhan Changfa Land Co., Ltd.	Wuhan Danlang Architectural Design Engineering Co., Ltd.	175,000.00	Over 3 years	Project terminated, to be withdrawn
Wuhan State-owned Industry Investment Co., Ltd.	Wuhan University	150,000.00	Over 3 years	The project has yet to be terminated
Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd.	Wuhan Hongshanku Grain and Oil Reserve Co., Ltd.	65,360.00	Over 3 years	Not yet due for settlement
Wuhan State-owned Industry Investment Co., Ltd.	Qichun County Land Surveying and Planning Team	50,000.00	2-3 years	In process
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Huayi High Tech Electrical Co., Ltd.	20,000.00	Over 3 years	Not yet due for settlement
Wuhan State-owned Industry Investment Co., Ltd.	Xiangyang Sizhou Hengyu Surveying and Mapping Technology Co., Ltd. Qichun Branch	12,600.00	2-3 years	In process
Total		413,731,464.42		

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(3) Top five prepayments with closing balances, grouped by party in arrears

Name of debtor	Book balance	As a percentage of total prepayments (%)	Provision for bad debts
Hubei Commerce Logistics Group Co., Ltd.	331,267,936.77	3.72	
Shenzhen Zexing Import and Export Co., Ltd.	294,088,373.33	3.31	
Zhejiang Joylen Import & Export Company Ltd.	287,018,533.01	3.22	
Xinjiang Tianlong Mining Co., Ltd.	230,056,747.78	2.58	
Mengfu (Hubei) Animal Husbandry Co., Ltd.	205,641,274.29	2.31	
Total	1,348,072,865.18	15.14	

9. Other receivables

Item	Closing balance	Opening balance
Interest receivable	2,750,000.00	44,111,850.73
Dividends receivable	3,332,665.60	3,332,665.60
Other receivables	10,251,003,894.28	11,849,723,930.03
Total	10,257,086,559.88	11,897,168,446.36

(1) Interest receivable**1) Classification of interest receivable**

Item	Closing balance	Opening balance
Entrusted loan	2,750,000.00	2,750,000.00
Others		41,361,850.73
Total	2,750,000.00	44,111,850.73

(2) Dividends receivable

Item	Closing balance	Opening balance	Reasons for non-recovery	Whether impairment has occurred and the basis for the judgment
Dividends receivable aged over 1 year	3,332,665.60	3,332,665.60	---	---
Including: 1. Hankou Bank Co., Ltd.	3,332,665.60	3,332,665.60	Frozen	No
Total	3,332,665.60	3,332,665.60	---	---

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(3) Other receivables**1) Disclosure of other receivables by aging**

Aging	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 1 year (including 1 year)	4,293,753,066.16	154,460,912.02	7,221,125,187.95	346,789,979.70
1-2 years	2,544,534,187.87	157,564,688.38	1,992,394,687.52	127,113,201.85
2-3 years	1,119,182,377.48	126,873,169.72	3,937,843,634.59	1,712,282,446.57
Over 3 years	6,286,101,553.44	3,553,668,520.55	2,706,834,270.72	1,822,288,222.63
Total	14,243,571,184.95	3,992,567,290.67	15,858,197,780.78	4,008,473,850.75

Note: There was no articulation between the aging of other receivables at the end of the period and at the beginning of the period, which was due to the inclusion of Huayuan Securities Company and Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd. into the consolidation of the period.

2) Disclosure of other receivables by bad debt provision method

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Other receivables for which bad debt provision is made on an individual basis	2,498,057,889.59	17.54	1,727,725,360.91	69.16	770,332,528.68
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	11,745,513,295.36	82.46	2,264,841,929.76	19.28	9,480,671,365.60
Total	14,243,571,184.95	—	3,992,567,290.67	28.03	10,251,003,894.28

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Other receivables for which bad debt provision is made on an individual basis	2,780,321,748.01	17.53	1,924,062,376.56	69.20	856,259,371.45
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	13,077,876,032.77	82.47	2,084,411,474.19	15.94	10,993,464,558.58
Total	15,858,197,780.78	—	4,008,473,850.75	25.28	11,849,723,930.03

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

3) Other receivables for which provision for bad debts was made on an individual basis at the end of the period

Name of debtor	Book balance	Provision for bad debts	Expected credit loss ratio (%)	Accrual reason
Aggregation of individual items of Trade Holding	1,288,174,532.42	1,233,027,619.11	95.72	Not expected to be recovered in full
Yulong Group Co., Ltd.	480,000,000.00	111,368,998.16	23.20	Not expected to be recovered in full
Xianfeng Village Committee in East Lake Scenic Area	219,391,531.25	32,131,820.32	14.65	Not expected to be recovered in full
Wuhan Zhuofeng Construction Group Co., Ltd.	53,197,708.00	53,197,708.00	100.00	Not expected to be recovered
East Lake Industrial Investment Fund Management Co., Ltd.	51,640,000.00	15,492,000.00	30.00	Not expected to be recovered in full
Hubei Jianglong Tourism Development Co., Ltd.	48,000,000.00	9,600,000.00	20.00	Not expected to be recovered in full
Shandong Yixing Electric AUTO Co., Ltd.	44,225,726.46	13,188,769.22	29.82	Not expected to be recovered in full
Donghu New Energy Automobile Co., Ltd.	43,430,535.60	13,029,160.68	30.00	Not expected to be recovered in full
Fangxing No. 322 Jurong Chishan Lake PPP Pooled Fund Trust Plan	39,244,532.95	39,244,532.95	100.00	Not expected to be recovered
Dongxing No. 9 Tianxia Real Estate Nanhu Driving School Project Pooled Fund Trust Scheme	33,103,492.83	33,103,492.83	100.00	Not expected to be recovered
Jiangxi Eurasia Automobile Service Co., Ltd.	27,683,235.00	27,683,235.00	100.00	Not expected to be recovered
Hubei Xinlu Guangmao Development Co., Ltd.	26,416,337.79	26,416,337.79	100.00	Not expected to be recovered
Henan Hongyang Group Trust Loan Pooled Fund Trust Scheme	24,533,700.20	24,533,700.20	100.00	Not expected to be recovered
Lu Zhihu	22,811,251.00	4,562,250.20	20.00	Not expected to be recovered in full
Yangtse Motor Group Co., Ltd.	20,822,501.31	20,822,501.31	100.00	Not expected to be recovered
Huangpi District People's Government (TCL)	15,000,000.00	15,000,000.00	100.00	Not expected to be recovered
Tianjin Huizhongyuan Enterprise Management Co., Ltd.	14,820,000.00	11,856,000.00	80.00	Not expected to be recovered in full

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of debtor	Book balance	Provision for bad debts	Expected credit loss ratio (%)	Accrual reason
Wuhan Lihehua Economic & Trade Development Co., Ltd.	13,500,000.00	13,500,000.00	100.00	Not expected to be recovered
Hunan Yaobo Automobile Sales Service Co., Ltd.	10,294,400.00	8,294,400.00	80.57	Not expected to be recovered in full
Wuhan Harbor Affairs Group Co., Ltd.	5,600,000.00	5,600,000.00	100.00	Not expected to be recovered
Huludao Huafu Industry General Company	4,798,206.35	4,798,206.35	100.00	Not expected to be recovered
Zhengxing Phase II Pooled Fund Trust Scheme	2,215,674.00	2,215,674.00	100.00	Not expected to be recovered
Zhou Kexian	1,846,146.56	1,846,146.56	100.00	Not expected to be recovered
Dongxing No. 33 Victoria Moore City Collective Trust Scheme	891,800.00	891,800.00	100.00	Not expected to be recovered
Wuhan Tongyuan Medical Device Co., Ltd.	600,000.00	600,000.00	100.00	Not expected to be recovered
Beijing Zhongcai Trading Co., Ltd.	500,000.00	500,000.00	100.00	Not expected to be recovered
Huludao Electrical Equipment Co., Ltd.	431,200.00	431,200.00	100.00	Not expected to be recovered
Tempus and Buttonwood Company Acquisition Pooled Fund Trust Scheme	406,925.24	406,925.24	100.00	Not expected to be recovered
Hubei Metallurgy Construction Company	300,000.00	300,000.00	100.00	Not expected to be recovered
Hubei Provincial Public Security Department	298,662.40	298,662.40	100.00	Not expected to be recovered
Wuhan Guanshi Investment Co., Ltd.	206,500.09	206,500.09	100.00	Not expected to be recovered
Wuhan Guantong Real Estate Development Co., Ltd.	166,700.00	166,700.00	100.00	Not expected to be recovered
Yufa Guarantee Company (Advances for preparatory work)	149,818.00	149,818.00	100.00	Not expected to be recovered
Jinzhou Changgu Economic and Trade Economic Co., Ltd.	137,063.90	137,063.90	100.00	Not expected to be recovered
Henan Province Xinxiang City Mine Crane Co., Ltd.	125,000.00	125,000.00	100.00	Not expected to be recovered
Divine Excellent Vehicle (Tianjin) Co., Ltd.	98,004.00	98,004.00	100.00	Not expected to be recovered

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of debtor	Book balance	Provision for bad debts	Expected credit loss ratio (%)	Accrual reason
Beijing Danhan Machinery Co., Ltd.	90,000.00	90,000.00	100.00	Not expected to be recovered
Linghai Anda Transportation Co., Ltd.	72,544.40	72,544.40	100.00	Not expected to be recovered
Liaoning Petrochemical Huludao Supervision Office	70,000.00	70,000.00	100.00	Not expected to be recovered
Wuhan Jiangxin Space Business Management Co., Ltd.	69,074.00	34,537.00	50.00	Not expected to be recovered in full
Gao Jianfei	62,000.00	62,000.00	100.00	Not expected to be recovered
Mei Hengbin	53,000.00	53,000.00	100.00	Not expected to be recovered
Xu Hao	50,000.00	50,000.00	100.00	Not expected to be recovered
Hebei Zaoqiang Glass Fiber Reinforced Plastic Group Co., Ltd.	45,600.00	45,600.00	100.00	Not expected to be recovered
Hefei Lixin Ruide Environmental Protection Technology Co., Ltd.	42,750.00	42,750.00	100.00	Not expected to be recovered
Tongyuan Hotel	40,000.00	40,000.00	100.00	Not expected to be recovered
Industrial and Commercial Bank of China Wuhan Dongxihu Sub-branch 0001	29,859.02	29,859.02	100.00	Not expected to be recovered
Jinzhou Guta District Jinjiang Plumbing and Heating Equipment Distribution Office	25,000.00	25,000.00	100.00	Not expected to be recovered
Wuhan Huamei Yangkai Property Management Co., Ltd.	24,408.00	24,408.00	100.00	Not expected to be recovered
Tan Yaqin	20,653.50	20,653.50	100.00	Not expected to be recovered
Zeng Changfa	15,000.00	15,000.00	100.00	Not expected to be recovered
Construction Management Company	10,746.00	10,746.00	100.00	Not expected to be recovered
Wuhan Huamei Yangkai Property Management Co., Ltd.	8,000.00	8,000.00	100.00	Not expected to be recovered
Yang Jun	5,581.00	5,581.00	100.00	Not expected to be recovered
Zhengquan Holdings Asset Income Right Investment (Phase I) Single Fund Trust	3,500.00	3,500.00	100.00	Not expected to be recovered

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of debtor	Book balance	Provision for bad debts	Expected credit loss ratio (%)	Accrual reason
New Era Advertising Company	1,327.00	1,327.00	100.00	Not expected to be recovered
Huang Chong	1,000.00	1,000.00	100.00	Not expected to be recovered
Gao Bo	828.60	828.60	100.00	Not expected to be recovered
Wu Liuli	640.26	640.26	100.00	Not expected to be recovered
Zhang Hanqiao	618.06	618.06	100.00	Not expected to be recovered
Unifull Shares Loan Pooled Fund Trust Scheme	200.00	200.00	100.00	Not expected to be recovered in full
Others	2,254,374.40	2,193,341.76	97.29	Not expected to be recovered in full
Total	2,498,057,889.59	1,727,725,360.91		

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

4) Others receivables for which the provision for bad debts is made by other portfolios

Portfolio name	Closing balance			Book value
	Amount	Accrual ratio (%)	Provision for bad debts	
Portfolio 1 Integrated business portfolio	7,921,975,947.53	28.59	2,264,841,929.76	5,657,134,017.77
Portfolio 2 Low-risk portfolio	3,823,537,347.83			3,823,537,347.83
Total	11,745,513,295.36	---	2,264,841,929.76	9,480,671,365.60

(Continued)

Portfolio name	Opening balance			Book value
	Amount	Accrual ratio (%)	Provision for bad debts	
Portfolio 1 Integrated business portfolio	7,211,798,186.11	28.90	2,084,411,474.19	5,127,386,711.92
Portfolio 2 Low-risk portfolio	5,866,077,846.66			5,866,077,846.66
Total	13,077,876,032.77	---	2,084,411,474.19	10,993,464,558.58

5) Provision for bad debts on other receivables

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) for the entire duration	Expected credit losses (credit impairment has occurred) throughout the entire duration	
Opening balance	59,853,116.52	2,564,296.30	3,946,056,437.93	4,008,473,850.75
Opening balance in the current period				
- Transferred to stage 2				
- Transferred to Stage 3				
- Transferred back to Stage 2				
- Transferred back to stage 1				
Accrual during the period	25,993,934.99	-520,516.02	448,951,098.04	474,424,517.01
Reversal during the period	6,060,552.97		291,416,039.96	297,476,592.93
Charge-offs during the period			190,949,610.87	190,949,610.87
Current write-offs				
Other changes	-1,811,001.75		-93,871.54	-1,904,873.29
Closing balance	77,975,496.79	2,043,780.28	3,912,548,013.60	3,992,567,290.67

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

6) Top five other receivables with closing balances, grouped by party in arrears

Name of debtor	Nature of payment	Closing balance	As a percentage of the total closing balance of other receivables (%)	Provision for bad debts
Wuxin Investment Holding (Shenzhen) Co., Ltd.	Current payments	1,896,162,714.79	13.31	1,495,154,386.40
Wuhan Trading Group Co., Ltd.	Current payments	949,227,790.00	6.66	
Wuhan Shanglian (Group) Co., Ltd.	Current payments	531,036,300.00	3.73	
Yulong Group Co., Ltd.	Current payments	480,000,000.00	3.37	111,368,998.16
Dalian Friendship (Group) Co., Ltd.	Current payments	272,765,777.78	1.92	1,999,952.59
Total	—	4,129,192,582.57	28.99	1,608,523,337.15

10. Buying back the sale of financial assets

Item	Closing balance	Opening balance
Bonds	360,377,915.94	779,429,589.03
Less: Provision for bad debts		
Total book value	360,377,915.94	779,429,589.03

11. Inventories

(1) Classification of inventories

Item	Closing balance		
	Book balance	Provision for decline in value/provision for impairment of contract performance costs	Book value
Raw materials	225,472,092.17	8,079,246.93	217,392,845.24
Home-made semi-finished products and in-process products	5,156,527,256.02	143,030,525.05	5,013,496,730.97
Including: Development costs	5,065,925,798.13	130,226,393.38	4,935,699,404.75
Goods in stock (finished goods)	10,149,331,960.98	555,785,746.07	9,593,546,214.91
Including: Development products	2,313,949,622.77	469,506,734.89	1,844,442,887.88
Working capital materials (packaging, low-value consumables)	5,955,449.93	1,413,716.14	4,541,733.79
Contract performance costs	183,962.25		183,962.25
Others	534,802,497.82	7,582,434.90	527,220,062.92
Including: Undeveloped land reserve	321,758,940.10		321,758,940.10
Total	16,072,273,219.17	715,891,669.09	15,356,381,550.08

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(Continued)

Item	Opening balance		
	Book balance	Provision for decline in value/provision for impairment of contract performance costs	Book value
Raw materials	226,608,240.49	5,308,195.44	221,300,045.05
Home-made semi-finished products and in-process products	5,237,826,455.95	131,894,972.54	5,105,931,483.41
Including: Development costs	5,131,501,709.87	120,337,502.63	5,011,164,207.24
Goods in stock (finished goods)	8,954,246,850.05	524,686,272.85	8,429,560,577.20
Including: Development products	2,346,475,035.69	469,675,904.11	1,876,799,131.58
Working capital materials (packaging, low-value consumables)	5,786,125.68	1,413,716.14	4,372,409.54
Contract performance costs	183,962.25		183,962.25
Others	73,032,100.68	14,987,737.21	58,044,363.47
Including: Undeveloped land reserve			
Total	14,497,683,735.10	678,290,894.18	13,819,392,840.92

Note: RMB 312,353,766.52 of the restricted amount of inventories at the end of the period represented the inventories of Wuhan Changjiang International Trade Group Co., Ltd., a subsidiary of the Group, which were stored in the warehouse of a third party and were subject to restriction as a result of the seizure of the third party's warehouse.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Land reserves of real estate development enterprises

Item name	Land area at the beginning of the period	Increase/decrease of the area during the period (m ²)	Land area at the end of the period (m ²)	Closing balance	Company name
Projects that have not started construction		52,997.22	52,997.22	321,758,940.10	Wuhan Economic Development Construction Development Co., Ltd.
Total		52,997.22	52,997.22	321,758,940.10	

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

12. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivables due within one year	23,833,222,201.57	17,791,444,471.44
Total	23,833,222,201.57	17,791,444,471.44

13. Other current assets

Item	Closing balance	Opening balance
Input VAT to be deducted	382,953,675.38	288,414,688.09
Prepaid tax	81,624,686.05	106,861,008.11
Input VAT to be certified	452,026,471.44	32,006,864.20
Debt investments and non-performing assets package business acquired	26,661,155,147.21	26,840,813,022.48
Withholding of individual income tax	10,727.57	11,818.87
Financing funds and refundable deposits	573,214,067.22	
Others		870,486.59
Total	28,150,984,774.87	27,268,977,888.34

14. Loans and advances**(1) Distribution of loans and advances by individuals and enterprises**

Item	Closing balance	Opening balance
(1) Personal loans and advances:	81,680,572.97	83,071,057.00
-Housing mortgage	43,049,638.00	44,440,122.03
-Others	38,630,934.97	38,630,934.97
(2) Corporate loans and advances:	1,070,988,966.03	520,500,858.25
-Loans	1,070,988,966.03	520,500,858.25
(3) Total loans and advances	1,152,669,539.00	603,571,915.25
Less: Provision for loan losses	119,710,053.25	117,738,182.44
Including: Accrual individually		
Accrual by portfolio	119,710,053.25	117,738,182.44
(4) Book value of loans and advances	1,032,959,485.75	485,833,732.81

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Distribution of loans and advances by industry

Industry distribution	Closing balance	Ratio (%)	Opening balance	Ratio (%)
Husbandry and fishery industries	4,000,000.00	0.35	4,000,000.00	0.66
Extractive industry				
Other industries	1,148,669,539.00	99.65	599,571,915.25	99.34
Total loans and advances	1,152,669,539.00	100.00	603,571,915.25	100.00
Less: Provision for loan losses	119,710,053.25		117,738,182.44	
Including: Accrual individually				
Accrual by portfolio	119,710,053.25		117,738,182.44	
Book value of loans and advances	1,032,959,485.75		485,833,732.81	

(3) Distribution of loans and advances by region

Region distribution	Closing balance	Ratio (%)	Opening balance	Ratio (%)
Central China	1,149,866,238.39	99.76	600,768,614.64	99.54
Other regions	2,803,300.61	0.24	2,803,300.61	0.46
Total loans and advances	1,152,669,539.00	100.00	603,571,915.25	100.00
Less: Provision for loan losses	119,710,053.25		117,738,182.44	
Including: Accrual individually				
Accrual by portfolio	119,710,053.25		117,738,182.44	
Book value of loans and advances	1,032,959,485.75		485,833,732.81	

(4) Distribution of loans and advances by guarantee method

Item	Closing balance	Opening balance
Credit loan	2,803,300.61	2,803,300.61
Guaranteed loan	920,661,864.23	370,173,756.45
Collateralized loan	229,204,374.16	230,594,858.19
Including: Mortgage loan	159,047,414.00	160,437,898.03
Pledged loan	70,156,960.16	70,156,960.16
Total loans and advances	1,152,669,539.00	603,571,915.25
Less: Provision for loan losses	119,710,053.25	117,738,182.44
Including: Accrual individually		
Accrual by portfolio	119,710,053.25	117,738,182.44
Book value of loans and advances	1,032,959,485.75	485,833,732.81

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(5) Overdue loans

Item	Closing balance			
	1 day to 90 days overdue (including 90 days)	90 days to 360 days overdue (including 360 days)	360 days to 3 years overdue (including 3 years)	Over 3 years overdue
Guaranteed loan		2,563,264.00	17,500,000.00	49,765,266.89
Collateralized loan			151,173,341.78	78,031,032.38
Including: Mortgage loan			103,389,598.00	55,657,816.00
Pledged loan			47,783,743.78	22,373,216.38
Total		2,563,264.00	168,673,341.78	127,796,299.27
				299,032,905.05

(Continued)

Item	Opening balance			
	1 day to 90 days overdue (including 90 days)	90 days to 360 days overdue (including 360 days)	360 days to 3 years overdue (including 3 years)	Over 3 years overdue
Credit loan				
Guaranteed loan		17,500,000.00		49,823,756.45
Collateralized loan		141,981,519.78	9,763,322.00	78,073,216.38
Including: Mortgage loan		94,197,776.00	9,763,322.00	55,700,000.00
Pledged loan		47,783,743.78		22,373,216.38
Total		159,481,519.78	9,763,322.00	127,896,972.83
				297,141,814.61

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(6) Provision for loan losses

Item	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) for the entire duration	Expected credit losses (credit impairment has occurred) throughout the entire duration	
Opening balance	2,507,500.00		115,230,682.44	117,738,182.44
Opening balance in current period	—	—	—	—
- Transferred to stage 2				
- Transferred to Stage 3				
- Transferred back to Stage 2				
- Transferred back to stage 1				
Accrual during the period	8,017,333.33			8,017,333.33
Reversal during the period	2,507,500.00		3,510,996.52	6,018,496.52
Charge-offs during the period			26,966.00	26,966.00
Current write-offs				
Other changes				
Closing balance	8,017,333.33		111,692,719.92	119,710,053.25

15. Debt investments

(1) Details of debt investments

Item	Closing balance		
	Book balance	Provision for impairment	Book value
Targeted debt investments	4,651,812,619.62	21,905,338.17	4,629,907,281.45
Trust plans	2,637,932,698.47	643,192,738.84	1,994,739,959.63
Microloans	1,786,129,125.70	341,306,528.61	1,444,822,597.09
Total	9,075,874,443.79	1,006,404,605.62	8,069,469,838.17

(Continued)

Item	Opening balance		
	Book balance	Provision for impairment	Book value
Targeted debt investments	4,654,194,126.13	22,474,964.95	4,631,719,161.18
Trust plans	2,122,555,159.49	586,183,082.41	1,536,372,077.08
Microloans	1,749,219,636.08	340,917,041.96	1,408,302,594.12
Total	8,525,968,921.70	949,575,089.32	7,576,393,832.38

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

16. Other debt investments**(1) Details of other debt investments**

Item	Closing balance	Opening balance
Cost of debt instruments	5,400,244,986.35	715,185,916.31
Amount of accumulated changes in fair value included in other comprehensive income	101,738,718.46	
Fair value		
Amount of provision for impairment		
Total	5,501,983,704.81	715,185,916.31

17. Long-term receivables

Type	Closing balance		
	Book balance	Provision for bad debts	Book value
Financial lease	32,584,599,324.92	1,690,879,431.87	30,893,719,893.05
Including: Unrealized financing gain	5,711,954,319.87		5,711,954,319.87
Sales of goods in installments	222,127,718.80		222,127,718.80
Total	32,806,727,043.72	1,690,879,431.87	31,115,847,611.85

(Continued)

Type	Opening balance		
	Book balance	Provision for bad debts	Book value
Financial lease	31,243,665,150.09	1,279,158,717.26	29,964,506,432.83
Including: Unrealized financing gain	4,996,350,962.23		4,996,350,962.23
Sales of goods in installments	323,075,718.49	3,176,950.11	319,898,768.38
Total	31,566,740,868.58	1,282,335,667.37	30,284,405,201.21

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

18. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening balance	Increase in the current period	Decrease in current period	Closing balance
Investments in subsidiaries				
Investments in joint ventures				
Investments in associates	10,103,766,443.11	456,984,474.85	496,052,267.99	10,064,698,649.97
Subtotal	10,103,766,443.11	456,984,474.85	496,052,267.99	10,064,698,649.97
Less: Provision for impairment of long-term investments	14,724,596.47		124,596.47	14,600,000.00
Total	10,089,041,846.64	456,984,474.85	495,927,671.52	10,050,098,649.97

(2) Details of long-term equity investments

Investee	Investment costs	Opening balance	Added investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments to other comprehensive income
Associates						
Hankou Bank Co., Ltd.	6,906,542,517.55	10,103,766,443.11	63,043,048.16	273,045,500.92	328,838,460.86	2,911,559.29
Hangzhou Guangyao Zhixin Zhongyuan Equity Investment Partnership (Limited Partnership)	1,893,359,536.00	5,569,124,321.85			242,736,086.05	3,325,465.85
Liaoning Jinhua Mingyuan Environmental Protection Technology Co., Ltd.	30,525,921.00	30,525,921.00	54,886,033.69		41,929,861.11	
Qianlima Investment Co., Ltd.	3,300,000.00	2,545,079.36			-226,581.89	
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	1,969,972.80	1,437,496.65				
	42,000,000.00	54,723,058.39			-3,065,028.77	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Investee	Investment costs	Opening balance	Added investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments to other comprehensive income
Wuhan Beidou Industrial Innovation Center Co., Ltd.	6,626,559.86	3,050,559.81		2,141,648.36	-908,911.45	
Wuhan Beidou Zhenjie Technology Co., Ltd.	272,449.61	159,714.37			-51,584.86	
Wuhan Boqi Decorative Fabric Co., Ltd.	13,200,000.00	43,516,972.94		43,516,972.94	0.00	
Wuhan Industrial Investment Asset Management Co., Ltd.	1,000,000.00	2,136,933.73			115,298.17	
Wuhan Huitong Logistics Network Co., Ltd.	1,260,000.00	891,389.95			-8,511.36	
Wuhan Economic and Technological Development Zone Industrial Investment Zhizheng Small Loan Co., Ltd.	40,000,000.00	37,164,779.26			36,214.38	
Wuhan Kaidaxin Equity Investment Management Co., Ltd.	2,000,000.00	2,200,349.63			322.43	
Wuhan Mengxin Technology Co., Ltd.	3,727,964.59	19,190,965.21			-2,438,632.85	
Wuhan Rural Commercial Bank Co., Ltd.	2,628,615,406.40	2,775,834,277.15	51,902.20	147,199,995.40	149,594,758.49	
Wuhan Jiang'an District Changfa Chengxin Microfinance Co., Ltd.	60,000,000.00	62,945,476.67			-1,643,340.90	
Wuhan Jinxin Rongwei Financial Outsourcing Service Co., Ltd.	4,800,000.00	3,506,259.91			285,527.05	
Wuhan Logistics Information Development Co., Ltd.	980,000.00	124,596.47		124,596.47		
Wuhan Xingang Jiangbei Railway Co., Ltd.		46,142,582.54			-19,781.90	
Wuhan Credit Zesen Smart City Industry Co., Ltd.	1,500,000.00	941,954.92				
Wuhan Xingjiali Investment Management Co., Ltd.	300,000.00	306,540.94			-480.00	
Wuhan Yijing Jiangnan Real Estate Co., Ltd.	19,600,000.00	59,182,064.72			60,942.16	
Wuhan Yangtze LED Lighting Technology Co., Ltd.	50,000,000.00	24,885,376.86			-419,630.75	
Wuhan Yangtze Communications Industry Group Co., Ltd.	141,189,096.04	309,060,956.49			16,970,062.96	606,725.76

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Investee	Investment costs	Opening balance	Added investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments to other comprehensive income
Wuhan Wisdom Green Valley Technology Co., Ltd.	52,500,000.00	52,500,000.00				
Wuhan Zhongxing Beidou Communication Technology Co., Ltd.	358,486.32	318,487.67			-30,235.51	
Wuxin Investment Holding (Shenzhen) Co., Ltd.	800,000,000.00	112,643,835.62			-66,471,337.30	
Y.U.D. Yangtze River Investment Industry Co., Ltd.	40,513,786.08	43,564,403.82			77,969.45	1,399.65
Changsha Xintiandi Financial Service Technology Co., Ltd.	2,500,000.00	5,872,428.58			2,815,851.07	
China Eastern Airlines Wuhan Co., Ltd.	847,409,126.97	360,594,875.91			-81,781,619.10	-1,022,031.97
Cnostar Technology Co., Ltd.	4,157,448.06	3,234,166.19			20,659.71	
Wuhan New Power Fuel Co., Ltd.	2,156,800.00	4,190,669.57			295,553.86	
Wuhan Jundian Real Estate Co., Ltd.	18,784,000.00	17,297,619.16			357,168.63	
Wuhan Chengtong Logistics Co., Ltd.	28,012,623.82	15,538,502.29	8,105,112.27		2,332,541.39	
Wuhan Grain and Oil Group Co., Ltd.	20,000,000.00	14,693,861.47			-200,325.49	
Wuhan Shitong Logistics Co., Ltd.	16,020,000.00	47,544,584.89			7,218,453.93	
Wuhan Changlian Laifu Pharmaceutical Co., Ltd.	42,403,340.00	92,296,502.47			12,237,461.26	
Wuhan Daoguanhe Scenic Park Co., Ltd.	200,000.00	200,000.00				
Wuhan Zhongzhi Hanyang Real Estate Development Co., Ltd.	16,000,000.00	16,000,000.00				
Wuhan Zhengda Logistics Co., Ltd.	18,334,800.00	87,501,203.67			10,925,225.10	
Wuhan Zhengkai Logistics Co., Ltd.	8,525,200.00	64,219,768.00			-980,646.11	
Wuhan Sha'ou Food Marketing Co., Ltd.	5,000,000.00	2,594,095.72			-79,149.74	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Investee	Investment costs	Opening balance	Added investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments to other comprehensive income
Chongqing Xiangfu Shengwei Industrial Co., Ltd.	5,040,000.00	2,917,521.51		2,016,000.00	-845,698.36	
Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd.		78,046,287.75		78,046,287.75		
Wuhan Haibo Energy Co., Ltd.	32,400,000.00	32,400,000.00				
Total	6,906,542,517.55	10,103,766,443.11	63,043,048.16	273,045,500.92	328,838,460.86	2,911,559.29

(Continued)

Investee	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others	Closing balance	Closing balance of impairment provision
Associates	-11,782,753.00	116,632,607.53		-32,400,000.00	10,064,698,649.97	14,600,000.00
Hankou Bank Co., Ltd.	462,125.76	80,954,499.90			5,734,693,499.61	
Hangzhou Guangyao Zhixin Zhongyuan Equity Investment Partnership (Limited Partnership)					127,341,815.80	
Liaoning Jinhua Mingyuan Environmental Protection Technology Co., Ltd.					2,318,497.47	
Qianlima Investment Co., Ltd.					1,437,496.65	
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.					51,658,029.62	
Wuhan Beidou Industrial Innovation Center Co., Ltd.						
Wuhan Beidou Zhenjie Technology Co., Ltd.					108,129.51	
Wuhan Boqi Decorative Fabric Co., Ltd.						
Wuhan Industrial Investment Asset Management Co., Ltd.					2,252,231.90	
Wuhan Huitong Logistics Network Co., Ltd.					882,878.59	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Investee	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others	Closing balance	Closing balance of impairment provision
Wuhan Economic and Technological Development Zone Industrial Investment Zhizheng Small Loan Co., Ltd.					37,200,993.64	
Wuhan Kaidaxin Equity Investment Management Co., Ltd.					2,200,672.06	
Wuhan Mengxin Technology Co., Ltd.	183,819.46				16,936,151.82	
Wuhan Rural Commercial Bank Co., Ltd.					2,778,280,942.44	
Wuhan Jiang'an District Changfa Chengxin Microfinance Co., Ltd.					61,302,135.77	
Wuhan Jinxin Rongwei Financial Outsourcing Service Co., Ltd.					3,791,786.96	
Wuhan Logistics Information Development Co., Ltd.					0.00	
Wuhan Xingang Jiangbei Railway Co., Ltd.					46,122,800.64	
Wuhan Credit Zesen Smart City Industry Co., Ltd.					941,954.92	
Wuhan Xingjiali Investment Management Co., Ltd.					306,060.94	
Wuhan Yijing Jiangnan Real Estate Co., Ltd.					59,243,006.88	
Wuhan Yangtze LED Lighting Technology Co., Ltd.					24,465,746.11	
Wuhan Yangtze Communications Industry Group Co., Ltd.	-12,428,698.22	1,994,633.44			312,214,413.55	
Wuhan Wisdom Green Valley Technology Co., Ltd.					52,500,000.00	
Wuhan Zhongxing Beidou Communication Technology Co., Ltd.					288,252.16	
Wuxin Investment Holding (Shenzhen) Co., Ltd.					46,172,498.32	
Y.U.D. Yangtze River Investment Industry Co., Ltd.					43,643,772.92	
Changsha Xintiandi Financial Service Technology Co., Ltd.		1,250,000.00			7,438,279.65	
China Eastern Airlines Wuhan Co., Ltd.					277,791,224.84	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Investee	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others	Closing balance	Closing balance of impairment provision
CnoStar Technology Co., Ltd.					3,254,825.90	
Wuhan New Power Fuel Co., Ltd.		3,897,359.25			588,864.18	
Wuhan Jundian Real Estate Co., Ltd.		1,926,614.94			15,728,172.85	
Wuhan Chengtong Logistics Co., Ltd.					25,976,155.95	
Wuhan Grain and Oil Group Co., Ltd.					14,493,535.98	
Wuhan Shitong Logistics Co., Ltd.		9,696,000.00			45,067,038.82	
Wuhan Changlian Laifu Pharmaceutical Co., Ltd.					104,533,963.73	
Wuhan Daoguanhe Scenic Park Co., Ltd.					200,000.00	200,000.00
Wuhan Zhongzhi Hanyang Real Estate Development Co., Ltd.					16,000,000.00	14,400,000.00
Wuhan Zhengda Logistics Co., Ltd.		16,913,500.00			81,512,928.77	
Wuhan Zhengkai Logistics Co., Ltd.					63,239,121.89	
Wuhan Sha'ou Food Marketing Co., Ltd.					2,514,945.98	
Chongqing Xiangfu Shengwei Industrial Co., Ltd.					55,823.15	
Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd.						
Wuhan Haibo Energy Co., Ltd.				-32,400,000.00		
Total	-11,782,753.00	116,632,607.53		-32,400,000.00	10,064,698,649.97	14,600,000.00

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

19. Investments in other equity instruments

Item	Closing balance	Opening balance
National Integrated Circuit Industry Investment Fund Co., Ltd.	5,000,000,000.00	5,000,000,000.00
Tianfeng Securities Co., Ltd.	604,400,977.98	561,369,193.14
Wuhan Circular Economy Industry Investment Fund (Limited Partnership)	450,000,000.00	450,000,000.00
Wuhan Cold Control Equity Investment Fund Partnership (Limited Partnership)	238,985,672.10	238,985,672.10
Equity in Wuhan Haier Electric Appliance Co., Ltd.	53,457,566.61	53,618,113.04
Foshan Poly Defense Equity Investment Partnership (Limited Partnership)	50,000,000.00	50,000,000.00
Yibin Wushang Equity Investment Fund (Limited Partnership)	40,000,000.00	40,000,000.00
East Lake Industrial Investment Fund Management Co., Ltd.	36,000,000.00	36,000,000.00
Wuhan Haibo Energy Co., Ltd.	32,400,000.00	
Wuhan International Conference & Exhibition Center Co., Ltd.	30,000,000.00	30,000,000.00
Jin'ao Guoyuan (Wuhan) Petrochemical Co., Ltd.	16,500,000.00	16,500,000.00
Suzhou Zesen Huiyong Venture Capital Partnership (Limited Partnership)	14,613,928.84	15,000,000.00
Wuhan City Industry Investment Group Co., Ltd.	14,000,000.00	14,000,000.00
Bank of Communications Co., Ltd.	7,353,858.40	6,072,698.40
Wuhan Xianglong Power Industry (Group) Co., Ltd.	6,838,000.00	5,330,000.00
Wuhan Beidou Industrial Innovation Center Co., Ltd.	3,500,000.00	
Equity in Wuhan Ligong Guangke Co., Ltd.	3,245,916.05	2,914,230.05
Wuhan Changxin Logistics Development Co., Ltd.	2,667,152.43	2,667,152.43
Wuhan Optical Valley Agricultural Products Trading Market Co., Ltd.	2,500,000.00	2,500,000.00
Hubei Jiupai Venture Capital Co., Ltd.	2,013,908.72	2,013,908.72
Hubei Radio & Television Information Network Co., Ltd.	1,344,000.00	1,831,200.00
Rongwei Weiye (Wuhan) Information Technology Co., Ltd.	1,025,752.15	1,260,277.12
Wuhan Steel and Power Co., Ltd.	745,200.00	745,200.00
Guilin Wuzhou Tourism Co., Ltd.	567,500.00	1,000,000.00
Futures membership investment - Dalian Commodity Exchange	550,000.00	
Futures membership investment - Shanghai Futures Exchange	500,000.00	
Futures membership investment - Zhengzhou Commodity Exchange	400,000.00	
Wuhan Yude Century Consulting Co., Ltd.	81,250.00	81,250.00
Wuhan Jinxin Investment Co., Ltd.	8,000.00	8,000.00
Wuhan Chengtong Logistics Co., Ltd.		4,950,000.00
Others	10,461,500.00	10,461,500.00
Total	6,624,160,183.28	6,547,308,395.00

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Note: Others are mainly the shares of Wuhan Stationery Development Company and Hankou Bank Co. Ltd. held by the head office of Wuhan Trade State-owned Holding Group Co., Ltd. in the amount of RMB 461,500 and a film investment of RMB 10 million.

20. Other non-current financial assets

Item	Closing fair value	Opening fair value
Hubei United Development Investment Group Co., Ltd.	1,330,879,808.55	1,197,545,040.42
Huaneng Wuhan Power Generation Co., Ltd.	792,295,390.59	808,685,700.29
Fenghuo Technology Group Co., Ltd.	514,239,493.56	408,399,857.38
Wuhan Kaida Enterprise Management Consulting Partnership (Limited Partnership)	250,000,000.00	
Beijing Sun-Novo Pharmaceutical Research Co., Ltd.	213,595,634.25	223,995,904.00
Hankou Bank Co., Ltd.	131,045,645.44	124,160,000.00
Wuhan Department Store Group Co., Ltd.	112,450,052.76	147,821,665.60
Wuhan Zhengxuanjie Investment Partnership (Limited Partnership)	92,162,561.74	98,641,250.00
Wuhan Xinhaxin Private Equity Investment Fund Partnership (Limited Partnership)	70,200,000.00	
Wuhan Kaidaxin Equity Investment Management Co., Ltd.	2,153,400.00	2,153,400.00
Wuhan Hongjing Equity Investment Partnership (Limited Partnership)	8,898,802.55	8,898,802.55
Guangxi Dibo Mining Industry Group Co., Ltd.	17,280,000.00	17,280,000.00
Yangtze River Economy United Development (Group) Co., Ltd.	26,132,225.23	26,476,865.05
Wuhan Fiberhome Singularity Investment Fund (Limited Partnership)	24,670,815.70	27,072,946.95
Wuhan Credit Real Estate Co., Ltd.	24,000,000.00	24,000,000.00
Wuhan Culture Investment Development Group Co., Ltd.	20,000,000.00	20,000,000.00
Wuhan Optics Valley Financial Lease Co., Ltd.	15,033,073.60	15,033,073.60
Wuhan Steel and Power Co., Ltd.	14,994,479.81	14,994,479.81
Beijing Langyan Life Technology Holding Co., Ltd.	13,476,473.02	12,937,903.46
Wuhan Wu Tong Yuan Industrial Development Co., Ltd.	5,637,225.24	5,637,225.24
Wuhan Hewan Yusheng Industrial Development Co., Ltd.	4,004,283.14	4,004,283.14
Wuhan Bizhouyuan Industrial Development Co., Ltd.	3,195,243.69	3,195,243.69
Wuhan Shengxin Industrial Development Co., Ltd.	3,156,254.78	3,156,254.78
China Construction Bank Corporation	2,263,852.50	1,957,832.50
Zhongbai Holdings Group Co., Ltd.	691,771.00	964,047.00
PetroChina Company Limited	656,580.00	462,210.00
China Coal Energy Company Limited	416,670.00	370,660.00
Xiantao Taihong Real Estate Co., Ltd.	200,000.00	200,000.00
Wuhan Jingshengli Industrial Development Co., Ltd.	53,902.45	53,902.45
Total	3,693,783,639.60	3,198,098,547.91

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

21. Investment properties

(1) Investment properties measured at fair value

Item	Opening fair value	Increase in current period			Decrease in current period		Closing fair value
		Acquisition	Transfer from owner-occupied properties or inventories	Gains and losses on changes in fair value	Disposal	Conversion to owner-occupied properties	
Total cost	2,785,866,836.20	57,067,158.26	22,413,825.00		58,511,961.90		2,806,835,857.56
1. Houses and buildings	2,592,768,088.79	57,067,158.26	22,413,825.00		58,511,961.90		2,613,737,110.15
2. Land use rights	193,098,747.41						193,098,747.41
3. Others							
Total fair value changes	723,665,978.03	2,567,799.40	-3,539,025.00	30,038,406.04	-2,639,961.90		755,373,120.37
1. Houses and buildings	724,320,812.03	2,567,799.40	-3,539,025.00	25,887,006.04	-2,639,961.90		751,876,554.37
2. Land use rights	-654,834.00			4,151,400.00			3,496,566.00
3. Others							
Total book value	3,509,532,814.23	59,634,957.66	18,874,800.00	30,038,406.04	55,872,000.00		3,562,208,977.93
1. Houses and buildings	3,317,088,900.82	59,634,957.66	18,874,800.00	25,887,006.04	55,872,000.00		3,365,613,664.52
2. Land use rights	192,443,913.41			4,151,400.00			196,595,313.41
3. Others							

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

22. Fixed assets

Item	Closing balance	Opening balance
Fixed assets	8,432,778,543.87	4,390,638,469.96
Liquidation of fixed assets	1,040,105.04	616,815.38
Total	8,433,818,648.91	4,391,255,285.34

(1) Fixed assets

1) Details of fixed assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Total original book value	9,830,684,861.50	4,949,405,384.12	469,288,652.59	14,310,801,593.03
Including: Houses and buildings	4,646,991,335.77	1,524,760,699.05	221,642,453.78	5,950,109,581.04
Machinery and equipment	3,092,721,824.17	398,767,622.43	124,130,920.07	3,367,358,526.53
Transportation equipment	1,730,698,235.90	17,854,405.24	83,229,877.53	1,665,322,763.61
Electronic equipment	98,933,589.40	78,570,780.16	21,038,295.48	156,466,074.08
Office equipment	58,906,603.41	10,885,639.13	8,243,789.02	61,548,453.52
Furniture for the hospitality industry	141,532.17	6,253,548.63	60,200.11	6,334,880.69
Others	202,291,740.68	2,912,312,689.48	10,943,116.60	3,103,661,313.56
Total accumulated depreciation	5,378,740,113.75	762,186,887.87	316,510,105.00	5,824,416,896.62
Including: Houses and buildings	1,615,332,134.56	278,800,694.73	94,148,334.07	1,799,984,495.22
Machinery and equipment	2,219,673,280.37	177,416,406.27	109,012,494.99	2,288,077,191.65

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Transportation equipment	1,254,257,060.08	195,708,732.35	76,084,367.08	1,373,881,425.35
Electronic equipment	84,363,661.26	57,138,002.75	20,153,889.72	121,347,774.29
Office equipment	46,705,796.11	5,201,294.32	7,623,255.76	44,283,834.67
Furniture for the hospitality industry	46,151.78	318,745.33	30,350.57	334,546.54
Others	158,362,029.59	47,603,012.12	9,457,412.81	196,507,628.90
Total net value of fixed assets	4,451,944,747.75	--	--	8,486,384,696.41
Including: Houses and buildings	3,031,659,201.21	--	--	4,150,125,085.82
Machinery and equipment	873,048,543.80	--	--	1,079,281,334.88
Transportation equipment	476,441,175.82	--	--	291,441,338.26
Electronic equipment	14,569,928.14	--	--	35,118,299.79
Office equipment	12,200,807.30	--	--	17,264,618.85
Furniture for the hospitality industry	95,380.39	--	--	6,000,334.15
Others	43,929,711.09	--	--	2,907,153,684.66
Total impairment of fixed assets	61,306,277.79		7,700,125.25	53,606,152.54
Including: Houses and buildings	31,894,194.28		4,375,983.50	27,518,210.78
Machinery and equipment	26,652,918.71		3,083,752.24	23,569,166.47
Transportation equipment	2,352,557.96		221,089.51	2,131,468.45
Electronic equipment	21,566.02		19,300.00	2,266.02
Office equipment				

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Furniture for the hospitality industry				
Others	385,040.82			385,040.82
Total book value of fixed assets	4,390,638,469.96	-- --	-- --	8,432,778,543.87
Including: Houses and buildings	2,999,765,006.93	-- --	-- --	4,122,606,875.04
Machinery and equipment	846,395,625.09	-- --	-- --	1,055,712,168.41
Transportation equipment	474,088,617.86	-- --	-- --	289,309,869.81
Electronic equipment	14,548,362.12	-- --	-- --	35,116,033.77
Office equipment	12,200,807.30	-- --	-- --	17,264,618.85
Furniture for the hospitality industry	95,380.39	-- --	-- --	6,000,334.15
Others	43,544,670.27	-- --	-- --	2,906,768,643.84

(2) Liquidation of fixed assets

Item	Closing book value	Opening book value	Reasons for liquidation
Houses and buildings	767,951.18	452,473.52	Demolition and relocation
Machinery and equipment	163,048.07	163,048.07	Demolition and relocation
Office and electronic equipment	109,105.79	1,293.79	To be disposed of
Total	1,040,105.04	616,815.38	

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

23. Construction in progress

(1) Details of construction in progress

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
National Grain Modern Logistics (Wuhan) Base	1,945,190,516.78		1,945,190,516.78	1,494,824,270.31		1,494,824,270.31
Wuhan Xingang Central China Trade Service Zone	655,579,822.07		655,579,822.07	509,824,529.05		509,824,529.05
Yangluo Grain Logistics Emergency Security Base	245,129,390.73		245,129,390.73	115,625,909.83		115,625,909.83
Kunming Baoxiang Wandun Cold Chain Port Project	206,674,958.79		206,674,958.79			
Wuhan Municipal Government Reserve Grain Depot (Jiangbei) Project	158,345,849.90		158,345,849.90	158,835.16		158,835.16
Fruit market project	154,129,711.00		154,129,711.00	119,392,237.90		119,392,237.90
Hotel decoration and renovation project	144,402,779.43		144,402,779.43	158,833,566.56		158,833,566.56
Longyuehua warehouse and logistics construction project	81,019,582.21		81,019,582.21	73,566,305.13		73,566,305.13
Hai'an Cold Storage (Phase I Cold Storage and Exhibition Center)	57,415,756.72		57,415,756.72	35,105,364.45		35,105,364.45
Cloud computing project	32,672,566.42		32,672,566.42			
Central China Cold Chain Port Phase II Project of Wuhan Wandun	30,015,421.33		30,015,421.33	29,379,947.77		29,379,947.77
Others	67,281,650.43	6,490,797.83	60,790,852.60	197,218,520.53	6,490,797.83	190,727,722.70
Total	3,777,858,005.81	6,490,797.83	3,771,367,207.98	2,733,929,486.69	6,490,797.83	2,727,438,688.86

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Changes in significant construction in progress during the period

Project name	Budget	Increase in current period	Transferred to fixed assets during the period	Other decreases in current period	Closing balance	Proportion of cumulative project investment to the budget (%)	Progress of works (%)	Accumulated amount of interest capitalization	Including: Amount of interest capitalized during the period	Capitalization rate of interest for the period (%)	Sources of funding
National Grain Modern Logistics (Wuhan) Base	5,895,770,000.00	450,366,246.47			1,945,190,516.78	33.83	33.83	488,606,347.38	96,942,026.82		Self-financing, borrowing
Wuhan Xingang Central China Trade Service Zone	2,080,000,000.00	145,755,293.02			661,498,220.74	94.54	94.54	93,503,066.08	93,503,066.08	5.45	Borrowing
Yangluo Grain Logistics Emergency Security Base	379,670,000.00	129,503,480.90			245,129,390.73	64.56	64.56	9,695,333.35	7,407,686.14		Borrowing
Kunming Baoxiang Wandun Cold Chain Port Project	1,833,000,000.00	206,674,958.79			206,674,958.79	11.28	11.28	53,169,022.79			Self-financing, borrowing
Total	10,188,440,000.00	932,299,979.18			3,058,493,087.04	---	---	644,973,769.60	197,852,779.04		

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(3) Engineering materials

Item	Closing balance	Opening balance
Others	9,153.27	
Total	9,153.27	

24. Productive biological assets

(1) Productive biological assets measured at cost

Type	Opening book value	Increase in current period	Decrease in current period	Closing book value
Animal husbandry	6,272.72	34,900.00	28,447.91	12,724.81
Including: Security dog	6,272.72	34,900.00	28,447.91	12,724.81
Forestry	782,799.15		164,799.82	617,999.33
Including: Camphor trees, Osmanthus fragrans, Metasequoia glyptostroboides and other seedlings	782,799.15		164,799.82	617,999.33
Total	789,071.87	34,900.00	193,247.73	630,724.14

25. Right-of-use assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Total original book value	136,050,570.22	181,716,521.17	24,354,726.74	293,412,364.65
Including: Land	14,279,089.38			14,279,089.38
Houses and buildings	121,771,480.84	170,126,227.87	24,354,726.74	267,542,981.97
Others		11,590,293.30		11,590,293.30
Total accumulated depreciation	53,268,610.36	80,573,669.31	15,447,722.94	118,394,556.73
Including: Land	2,719,826.58	1,359,913.32		4,079,739.90
Houses and buildings	50,548,783.78	73,856,668.57	15,447,722.94	108,957,729.41
Others		5,357,087.42		5,357,087.42
Total net book value	82,781,959.86	---	---	175,017,807.92
Including: Land	11,559,262.80	---	---	10,199,349.48
Houses and buildings	71,222,697.06	---	---	158,585,252.56
Others		---	---	6,233,205.88
Total impairment provision		---	---	
Including: Land	---	---	---	---
Houses and buildings				

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Others				
Total book value	82,781,959.86	---	---	175,017,807.92
Including: Land	11,559,262.80	---	---	10,199,349.48
Houses and buildings	71,222,697.06	---	---	158,585,252.56
Others		---	---	6,233,205.88

26. Intangible assets

(1) Classification of intangible assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Total original value	2,432,074,789.92	200,545,958.00	4,354,530.00	2,628,266,217.92
Software	102,443,452.03	99,531,452.02	4,354,530.00	197,620,374.05
Land use rights	2,146,887,053.03	88,718,713.46		2,235,605,766.49
Patent rights	54,180,461.05	9,062,396.08		63,242,857.13
Non-patented technology	127,908,497.16			127,908,497.16
Trademark rights	653,526.65	1,198,718.62		1,852,245.27
Copyright	1,800.00			1,800.00
Others		2,034,677.82		2,034,677.82
Total accumulated amortization	600,247,682.19	137,879,338.81	4,136,321.63	733,990,699.37
Software	66,000,195.97	74,051,648.54	4,136,321.63	135,915,522.88
Land use rights	422,691,722.03	48,041,816.93		470,733,538.96
Patent rights	50,140,564.43	151,723.82		50,292,288.25
Non-patented technology	60,930,409.35	12,431,111.64		73,361,520.99
Trademark rights	483,680.41	1,168,180.06		1,651,860.47
Copyright	1,110.00	180.00		1,290.00
Others		2,034,677.82		2,034,677.82
Total accumulated amount of impairment provision	1,999,115.00	1,999,115.00		3,998,230.00
Software				
Land use rights				
Patent rights	1,999,115.00	1,999,115.00		3,998,230.00
Non-patented technology				
Trademark rights				
Copyright				

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Others				
Total book value	1,829,827,992.73	---	---	1,890,277,288.55
Software	36,443,256.06	---	---	61,704,851.17
Land use rights	1,724,195,331.00	---	---	1,764,872,227.53
Patent rights	2,040,781.62	---	---	8,952,338.88
Non-patented technology	66,978,087.81	---	---	54,546,976.17
Trademark rights	169,846.24	---	---	200,384.80
Copyright	690.00	---	---	510.00
Others		---	---	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

27. Development expenditures

Item	Opening balance	Increase in current period		Decrease in current period			Closing balance
		Internal development expenditure	Others	Recognized as intangible assets	Transfer to the current profit or loss	Others	
High Accuracy GNSS Chips	39,523,968.77	-24,956,302.69			-650,943.56		15,218,609.64
Neural Network Task Allocation System for Distributed Internet of Things	291,262.14						291,262.14
GIS Research in Environmental Research in Wuhan	47,169.81						47,169.81
Intelligent supply chain digital management platform	4,812,233.93	14,928,480.65		4,230,713.59			15,510,000.99
Supply chain finance platform	679,611.65	12,135,569.91					12,815,181.56
Total	45,354,246.30	2,107,747.87		4,230,713.59	-650,943.56		43,882,224.14

Note: The negative increase in the high-accuracy global navigation satellite system (GNSS) chip project during the period was due to the provision for impairment.

28. Goodwill

(1) Original book value of goodwill

Name of investee or matter forming goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Dalian Shengfa Real Estate Co., Ltd.	62,142,323.73			62,142,323.73	Note 1
Handan Faxing Real Estate Development Co., Ltd.	27,519,688.63			27,519,688.63	Note 1
Shenyang Xingshi Real Estate Development Co., Ltd.	67,039,398.92			67,039,398.92	Note 1
Hangjin Technology Co., Ltd.	2,273,980,439.80			2,273,980,439.80	Note 2

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of investee or matter forming goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Jinzhou Jinhui Petroleum Chemical Storage and Transportation Co., Ltd.	29,023,320.31			29,023,320.31	Note 2
Changsha Shaoguang Semiconductor Co., Ltd.	30,476,523.29			30,476,523.29	Note 2
Vincotech Electronic MODULES (Shenzhen) Co., Ltd.	23,709,476.55			23,709,476.55	Note 2
Jiangsu Weiike Electronics Co., Ltd.	32,503,074.61			32,503,074.61	Note 2
Vincotech Electronic MODULES (Shenzhen) Co., Ltd.	51,352,891.40			51,352,891.40	Note 3
Hunan Jiuqiang Xundun Information Technology Co., Ltd.	1,661,779.97			1,661,779.97	Note 3
Honglin Microelectronics (Kunshan) Co., Ltd.	1,074,986.99			1,074,986.99	Note 3
Chongqing Gaojun Trading Co., Ltd.	1,889,334.34			1,889,334.34	Note 4
Chongqing Diligence Trading Co., Ltd.	912,263.71			912,263.71	Note 5
Shenzhen Blue Penguin Non-Financing Guarantee Co., Ltd.	1,039,217.55			1,039,217.55	Note 6
Wuhan Chengsheng Pawn Co., Ltd.	2,800,000.00			2,800,000.00	
Wuhan Finance Leasing Co., Ltd.	1,542,896.65			1,542,896.65	
Huayuan Securities Co., Ltd.		1,246,325,056.65		1,246,325,056.65	Note 7
Kyushu Futures Co., Ltd.		29,283,213.85		29,283,213.85	Note 7
Jiuzheng Capital Investment Co., Ltd.		551,360,357.32		551,360,357.32	Note 7
Wuhan Chaoqing Technology Co., Ltd.		125,155,175.04		125,155,175.04	Note 8
Wuhan Overseas Holiday International Travel Agency Co., Ltd.		145,899.66		145,899.66	
Hubei Xiongying Hunting Clothes Sales Co., Ltd.	263,644.86			263,644.86	
Guotong Trust Co., Ltd.	2,945,687,630.04			2,945,687,630.04	Note 9

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of investee or matter forming goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd.		67,655,887.00		67,655,887.00	
Yangzhou Qinqin Wandun Cold Storage Logistics Co., Ltd.	2,552,856.70			2,552,856.70	
Wuhan Wandun Cold Storage Logistics Co., Ltd.	26,284,230.63			26,284,230.63	
Total	5,583,455,978.68	2,019,925,589.52		7,603,381,568.20	

(2) Goodwill impairment provision

Name of investee or matter forming goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Dalian Shengfa Real Estate Co., Ltd.	62,142,323.73			62,142,323.73	Note 1
Handan Faxing Real Estate Development Co., Ltd.	27,519,688.63			27,519,688.63	Note 1
Shenyang Xingshi Real Estate Development Co., Ltd.	67,039,398.92			67,039,398.92	Note 1
Changsha Shao Guang Semiconductor Co., Ltd.		2,535,621.00		2,535,621.00	
Vincotech Electronic MODULES (Shenzhen) Co., Ltd.	51,352,891.40	13,114,049.78		64,466,941.18	Note 3
Hunan Jiuqiang Xundun Information Technology Co., Ltd.	1,661,779.97			1,661,779.97	Note 3
Honglin Microelectronics (Kunshan) Co., Ltd.	1,074,986.99			1,074,986.99	Note 3
Shenzhen Blue Penguin Non-Financing Guarantee Co., Ltd.	1,039,217.55			1,039,217.55	Note 6
Guotong Trust Co., Ltd.		22,144,500.00		22,144,500.00	Note 9
Total	211,830,287.19	37,794,170.78		249,624,457.97	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Note 1: On May 29th, 2020, the subsidiary Wuhan Credit Investment Group Co., Ltd. entered into the *Equity and Debt Transfer Agreement* with Dalian Friendship (Group) Co., Ltd. According to the agreement, Dalian Friendship (Group) Co., Ltd. transferred the equity interests 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. and the claims on the above three companies to Wuhan Credit Investment Group, forming a business combination not under common control. The excess of the transaction consideration over the fair value of the net assets of the underlying unit at the date of purchase, amounting to RMB 156,701,411.28, was included in goodwill. This portion of goodwill resulted from the gain or loss on transition and was therefore fully provided for impairment.

Note 2: The subsidiary Wuhan Xinneng Industrial Development Co., Ltd. (hereinafter referred to as "Wuhan Xinneng Industrial") and Xinyu Haoyue Information Technology Co., Ltd. (hereinafter referred to as "Xinyu Haoyue"), the controlling shareholder of Hangjin Technology Co., Ltd. (hereinafter referred to as "Hangjin Technology"), signed the *Debt Restructuring Agreement* on September 16th, 2020. Xinyu Haoyue transferred 113,363,924 shares of Hangjin Technology held by it to Wuhan Xinneng Industrial at a price of RMB 2,810,291,666.67 by way of an agreed transfer. Upon completion of the debt restructuring, Wuhan Xinneng Industrial held 113,363,924 shares of 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, and the controlling shareholder of Hangjin Technology was changed to Wuhan Xinneng Industrial Development Co., Ltd. and the actual controller was changed to the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government. The debt restructuring formed a business combination not under common control, and the excess of the transaction consideration over the share of fair value of the net identifiable assets of the acquiree at the date of purchase is RMB 2,389,692,834.56, which is included in goodwill.

At the date of purchase, Hangjin Technology was divided into five asset groups, namely the parent company of Hangjin Technology Co., Ltd., Jinzhou Jinhui Petroleum Chemical Storage and Transportation Co., Ltd., Changsha Shaoguang Semiconductor Co., Ltd. (hereinafter referred as "Changsha Shaoguang"), Weike Electronic Module (Shenzhen) Co., Ltd. (hereinafter referred as "Weike Electronic") and Jiangsu Weike Electronics Co., Ltd. The recoverable amounts of the asset groups at the end of the period referred to the *Net Asset Valuation Report on the Fair Value Less Disposal Costs of the Asset Groups of Hangjin Technology Co., Ltd. Involved in the Goodwill Impairment Test of Wuhan Xinneng Industrial*

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Development Co., Ltd. issued by Zhonglian Assets Appraisal Co., Ltd. (ZLPB(2024) No.1130).

The fair value of the asset group containing goodwill was assessed in accordance with the market approach, taking into account relevant factors.

The recoverable amount of the asset group of Changsha Shaoguang was recognized as the present value of its estimated future cash flows by reference to the Zhonglian Appraisal Report (2024) No. 1066 issued by Hubei Zhonglian Assets Appraisal Co., Ltd. on March 12th, 2024. The recoverable amount of the asset group of Weike Electronic was recognized as the present value of its estimated future cash flows by reference to the Zhonglian Appraisal Report (2024) No. 1065 issued by Hubei Zhonglian Assets Appraisal Co., Ltd. on March 12th, 2024. The impairment test showed that as at December 31st, 2023, goodwill was impaired by RMB 15,649,670.78.

Note 3: The goodwill of Weike Electronic Module (Shenzhen) Co., Ltd., Hunan Jiuqiang Xundun Information Technology Co., Ltd. and Honglin Microelectronics (Kunshan) Co., Ltd. was the goodwill of Hangjin Technology itself, which had been fully impaired by RMB 54,089,658.36.

Note 4: The subsidiary Wuhan Credit Asset Management Co., Ltd., purchased 100% equity interest in Chongqing Gaojun Trading Co., Ltd., forming a business combination not under common control. The excess of the transaction consideration over the share of the fair value of the acquiree's identifiable net assets at purchase date, amounting to RMB 1,889,334.34, is recognised as goodwill. The impairment test showed that as at 31st December 2023, the goodwill was not impaired.

Note 5: The subsidiary Wuhan Credit Asset Management Co., Ltd., purchased 100% equity interest in Chongqing Diligence Trading Co., Ltd., forming a business combination not under common control. The excess of the transaction consideration over the share of the fair value of the acquiree's identifiable net assets at purchase date, amounting to RMB 912,263.71, is recognised as goodwill. The impairment test showed that as at 31st December 2023, the goodwill was not impaired.

Note 6: The subsidiary Wuhan Tongchuang Huifeng Asset Management Co., Ltd., purchased 100% equity interest in Shenzhen Blue Penguin Non-Financing Guarantee Co., Ltd. (hereinafter referred to as "Blue Penguin Company"), forming a business combination not under common control. The excess of the transaction consideration over the share of the fair value of the acquiree's identifiable net assets at purchase date, amounting to RMB 1,039,217.55, is recognised as goodwill. This portion of goodwill represented the accumulated losses of Blue Penguin Company prior to the date of purchase and therefore a full provision for impairment was made.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Note 7: The subsidiary Development Investment Company purchased 50% equity interest in Huayuan Securities Co., Ltd. (hereinafter referred to as “Huayuan Securities”), forming a business combination not under common control. The excess of the transaction consideration over the share of the fair value of the acquiree's identifiable net assets at the purchase date, amounting to RMB 1,826,968,627.82, is recognised as goodwill. On the date of purchase, Huayuan Securities was divided into three asset groups, namely Huayuan Securities Parent Company, Kyushu Futures Co., Ltd. and Jiuzheng Capital Investment Co., Ltd. The recoverable amounts of the asset groups at the end of the period were determined by reference to the report No. [2024] 0416 issued by Beijing Kysin Assets Appraisal Co., Ltd. The fair value of the asset group containing goodwill was assessed in accordance with the market approach, taking into account relevant factors. The impairment test showed that as at 31st December 2023, the goodwill was not impaired.

Note 8: In November 2023, the wholly-owned subsidiary of the subsidiary Hangjin Technology, Hangjin (Wuhan) Artificial Intelligence Technology Co., Ltd. (hereinafter referred to as “Hangjin Intelligence”), its chairman Cai Weidong, the general manager Ding Guibao, and the director of the Office of Industrial Synergy, Zhang Shuanxuan, signed an investment agreement with the shareholders of Wuhan Chaoqing Technology Co., Ltd. (hereinafter referred to as “Chaoqing Technology”) on November 26th, 2023. Hangjin Intelligence increased its capital investment in Chaoqing Technology by RMB 190 million. The chairman Cai Weidong, the general manager Ding Guibao, and the director of the Office of Industrial Synergy, Zhang Shuanxuan, used their own funds of RMB 64.41 million to acquire part of the equity interests in Chaoqing Technology held by the original shareholders, namely Beijing Xingyun Hengsheng Network Technology Co., Ltd. and Beijing Boyun Lingchuang Technology Center (Limited Partnership), and they hold 8.47% of the shares after the acquisition and have entrusted all their voting rights to Hangjin Intelligence. After the completion of the capital increase and the transfer of the old shares, Beijing Shuxun Yonghe Technology Center (limited Partnership) (hereinafter referred to as “Shuxun Yonghe”) entrusted 13.00% of the voting rights of Chaoqing Technology to Hangjin Intelligence. Hangjin Intelligence holds 25% equity interest in Chaoqing Technology and obtains 46.47% of the voting rights of Chaoqing Technology. The re-elected board of directors of Chaoqing Technology consists of five directors, three of whom were nominated by Hangjin Technology, and Hangjin Technology has sent the chief financial officer and is able to exercise control over its operating activities, and therefore Chaoqing Technology is included in the scope of the consolidated financial statements. The business combination not under common control resulted in goodwill of RMB 125,155,175.04.

Note 9: The recoverable amount of Guotong Trust Co., Ltd. at the end of the period

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

referred to the *Asset Valuation Report on the Recoverable Amount of the Asset Group Containing Goodwill of Guotong Trust Co., Ltd. Involved in the Goodwill Impairment Test to be Conducted by Wuhan Financial Holdings (Group) Co., Ltd.* issued by Yinxin Assets Appraisal Co., Ltd. (YXPB [2024] No. B00142). The fair value of the asset group containing goodwill was assessed in accordance with the market approach, taking into account relevant factors. The impairment test showed that as at December 31st, 2023, goodwill was impaired by RMB 22,144,500.00.

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

29. Long-term deferred expenses

Item	Opening balance	Increase in current period	Amortization in current period	Other decreases in current period	Closing balance
Renovation costs	29,920,007.64	109,942,225.44	11,986,989.01	140,931.16	127,734,312.91
Amortization of business-related expenses	5,102,616.47	12,857,482.65	4,998,264.23		12,961,834.89
Software or network costs	3,367,334.07	5,295,595.61	1,737,284.27		6,925,645.41
Asset improvement expenses	36,207,788.22	11,040,959.66	14,291,659.53	76,830.82	32,880,257.53
Leased-in fixed assets improvement expenses	344,525.02	72,677,884.48	114,648.92		72,907,760.58
Company and base maintenance works	39,055.20	241,859.27	30,509.92		250,404.55
Guard dog base rental fees	395,773.54		272,463.60		123,309.94
Wuchang base vault renovation costs	1,553,106.67	70,823.98	268,190.11		1,355,740.54
Construction and renovation project of the office building of Tewei Dog Industry	119,651.46		49,804.56		69,846.90
Expansion training supporting facilities renovation project	258,322.59		47,705.88		210,616.71
Xin'andu renovation project	149,131.71		25,280.44		123,851.27
Long-term deferred expenses of Trade Holding	1,723,181.02		1,689,003.82		34,177.20
Decoration and renovation project	483,871.10	59,840.73	488,857.82		54,854.01
Fixed asset repair costs	46,017.75		23,008.80		23,008.95
Xin'andu Fish Pond road surfacing and renovation project		235,821.37	47,725.75		188,095.62
Insurance costs	312,837.54	444,479.01	223,933.84		533,382.71
Rental fees	28,478.96		15,534.00		12,944.96
Tap water supply upgrading works	209,353.90		209,353.90		

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Opening balance	Increase in current period	Amortization in current period	Other decreases in current period	Closing balance
Others	1,358,271.24	8,877,007.85	9,097,304.56	39,713.16	1,098,261.37
Total	81,619,324.10	221,743,980.05	45,617,522.96	257,475.14	257,488,306.05

30. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities are not shown net of offsets

Item	Closing balance			Opening balance	
	Deferred tax assets/liabilities	Deductible/taxable temporary differences	Deferred tax assets/liabilities	Deferred tax assets/liabilities	Deductible/taxable temporary differences
Deferred tax assets					
Provision for credit impairment	1,574,805,145.63	6,617,777,307.79	1,443,244,208.00		5,784,225,375.44
Provision for impairment of assets	313,161,438.10	1,299,033,243.30	223,339,909.00		904,261,874.85
Changes in fair value of financial instruments held for trading and derivative financial instruments	696,501,822.06	2,786,007,288.22	780,547,454.79		3,121,933,109.12
Changes in fair value of financial instruments included in other comprehensive income	381,061.96	1,524,247.85	322,430.72		1,289,722.88
Fair value adjustment of investment properties	21,446,316.82	85,785,307.30	19,507,769.24		78,031,116.93
Deductible losses	16,264,191.23	109,686,481.96	16,496,370.39		108,514,481.44
Deferred income	161,812,406.87	649,699,255.04	60,956,232.22		246,144,092.61
Estimated liabilities	56,909,414.52	237,813,501.01	43,165,575.00		172,662,300.00
Others	32,506,515.33	164,874,846.77	28,056,465.63		136,906,746.86
Subtotal	2,873,788,312.52	11,952,201,479.24	2,615,636,414.99		10,553,968,820.13
Deferred tax liabilities					

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible/taxable temporary differences	Deferred tax assets/liabilities	Deductible/taxable temporary differences
Changes in fair value of financial instruments held for trading and derivative financial instruments	36,748,322.35	146,993,289.42	31,077,167.41	124,308,669.64
Changes in fair value of financial instruments included in other comprehensive income	31,517,950.55	166,801,396.20	43,727,583.02	174,910,332.07
Fair value adjustment of investment properties	40,833,429.64	169,271,236.97	36,002,642.57	144,010,570.26
Pre-tax lump-sum deduction for fixed assets				
Valuation increment of assets in business combinations not under common control				
Others	125,824,205.72	810,796,509.42	115,795,999.04	696,672,788.20
Subtotal	234,923,908.26	1,293,862,432.01	226,603,392.04	1,139,902,360.17

Note: The "Others" under "Deferred tax liabilities" mainly represent amount arising from the appreciation in the valuation of assets in business combinations not under common control.

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

31. Other non-current assets

Item	Closing balance	Opening balance
Input tax to be deducted	37,547,013.64	25,801,401.72
Debt assets	340,619,400.59	341,116,233.59
Prepayment for engineering equipment	102,838,873.92	1,657,803.17
Land advance payment		146,260,000.00
Prepayment of a deposit for purchasing a house	671,567,948.83	702,058,778.11
Others	80,000.00	80,000.00
Total	1,152,653,236.98	1,216,974,216.59

32. Short-term loans**(1) Classification of short-term loans**

Item	Closing balance	Opening balance
Pledged loan	1,074,847,271.85	1,324,595,079.12
Mortgage loan	621,000,000.00	315,000,000.00
Guaranteed loan	9,133,617,669.71	6,890,492,900.59
Credit loan	5,369,492,781.04	5,120,693,689.05
Total	16,198,957,722.60	13,650,781,668.76

33. Borrowing funds

Item	Closing balance	Opening balance
Interbank borrowings	46,682,837,253.34	37,978,422,954.25
Interbank lending	4,630,000,000.00	2,759,000,000.00
Interest payable	545,038,403.42	432,070,613.21
Trust and insurance fund	1,100,000,000.00	656,859,339.80
Total	52,957,875,656.76	41,826,352,907.26

34. Notes payable

Category	Closing balance	Opening balance
Bank acceptance	2,409,452,330.55	1,183,374,726.19
Trade acceptance	150,000,000.00	2,380,000.00
Total	2,559,452,330.55	1,185,754,726.19

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

35. Accounts payable**(1) Aging of accounts payable**

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	603,518,928.92	795,256,766.07
1-2 years (including 2 years)	263,447,169.92	208,608,260.57
2-3 years (including 3 years)	171,182,686.32	14,409,271.55
Over 3 years	74,698,394.52	152,307,916.52
Total	1,112,847,179.68	1,170,582,214.71

(2) Significant accounts payable with the aging over 1 year

Creditor name	Closing balance	Reasons for non-repayment
Jiangxi Geological Engineering (Group) Co., Ltd.	107,528,034.88	Provisional estimates of works
Hubei Hongda Fire-Fighting Engineering Co., Ltd.	14,108,843.29	Provisional estimates of works
Wuhan Zhongyang Construction Group Co., Ltd.	12,036,701.12	Provisional estimates of works
Henan Energy and Chemical Group Guolong Logistics Co., Ltd.	6,800,000.00	Not yet due for settlement
Wuhan Huachu Mechanical and Electrical Equipment Engineering Co., Ltd.	5,400,966.94	Provisional estimates of works
Limited liability company "Lider"	4,550,104.86	Not yet due for settlement
Hubei Jiansheng Engineering Project Management Co., Ltd.	1,652,688.68	Provisional estimates of works
Hubei Changjiang Electric Co., Ltd.	1,119,740.91	Provisional estimates of works
Wuhan Xingrongcheng Municipal Engineering Co., Ltd.	1,076,341.30	Provisional estimates of works
Hubei New World Kitchenware Co., Ltd.	958,451.97	Provisional estimates of works
Guangzhou Lide Engineering Consulting Co., Ltd.	825,471.73	Provisional estimates of works
Henan Taiguo Boiler Products Co., Ltd.	799,115.05	Provisional estimates of works
Wuhan Zhongyang Construction Group Co., Ltd.	496,077.60	Not yet due for settlement
Foshan Ou Niu Furniture Co., Ltd.	111,984.68	Not yet due for settlement
Wuhan Kairui Fenghua Electric Power Design Co., Ltd.	99,800.00	Not yet due for settlement
Wuhan Ashton Power Engineering Co., Ltd.	78,000.00	Not yet due for settlement
Xinlida (Dalian) Project Management Consulting Co., Ltd. Hubei Branch	35,000.00	Not yet due for settlement
Wuhan BYD Automobile Co., Ltd.	44,429,300.00	Not yet due for settlement
Wuhan Kaiwo Automobile Co., Ltd.	40,733,291.19	Not yet due for settlement
Hua Shang International Engineering Co., Ltd.	61,863,111.28	Not yet due for settlement
Mead Johnson Nutritionals (CHINA) Ltd.	22,078,304.36	Not yet due for settlement
Yunnan Kungang Gas Engineering Co., Ltd.	8,890,452.65	Not yet due for settlement

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Creditor name	Closing balance	Reasons for non-repayment
Yibin Wuliangye Liquor Sales Co., Ltd.	6,414,062.86	Not yet due for settlement
Ferrero Trading (SHANGHAI) Co., Ltd.	6,321,760.57	Not yet due for settlement
Zhongtian Construction Group Co., Ltd.	5,860,000.00	Not yet due for settlement
Lee Kum Kee (China) Trading Limited Shanghai Branch	3,664,882.33	Not yet due for settlement
Jingdezhen Shenyunda Logistics Co., Ltd.	2,099,358.59	Not yet due for settlement
Hubei Electronic Science Institute Co., Ltd.	1,622,484.55	Not yet due for settlement
Zhongtian Construction Group Co., Ltd.	1,580,000.00	Not yet due for settlement
Hubei Shun'an Fire Engineering Co., Ltd.	1,569,325.27	Not yet due for settlement
Wuhan Changbo Construction Group Co., Ltd.	1,533,208.94	Not yet due for settlement
Xiamen Yinlu FOODS Group Co., Ltd.	1,493,249.81	Not yet due for settlement
Changchun Siyang Logistics Co., Ltd.	1,222,119.03	Not yet due for settlement
Zhongbo Holdings Group Co., Ltd.	1,000,000.00	Not yet due for settlement
Total	370,052,234.44	--

36. Advances from customers

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	24,993,007.25	90,748,598.44
Over 1 years	20,290,298.17	48,397,198.74
Total	45,283,305.42	139,145,797.18

(1) Significant advances from customers with the aging over 1 year

Creditor name	Closing balance	Reason for non-carry-forward
Wuhan Jiangnan Industrial Group Co., Ltd.	4,111,261.52	Agreed suspension
Wuhan Chihang Material Trading Co., Ltd.	3,603,216.80	Settlement conditions not met
Wuhan Speka SPECIAL Purpose TRUCK Co., Ltd.	99,546.74	Agreed suspension
Nanzhang Xinshun Logistics Co., Ltd.	6,893.70	Settlement conditions not met
Total	7,820,918.76	--

(2) Top five balances of advances from customers

Creditor name	Closing balance	As a percentage of advances from customers (%)
Weifang Binhai Blue Ocean Water Development Co., Ltd.	14,105,237.59	31.15
Wuhan Jiangnan Industrial Group Co., Ltd.	4,111,261.52	9.08
Wuhan Chihang Material Trading Co., Ltd.	3,603,216.80	7.96

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Creditor name	Closing balance	As a percentage of advances from customers (%)
Hubei Xiangli Asset Management Co., Ltd.	2,914,000.00	6.44
Nanchang Unique Shoufu City Catering Co., Ltd.	2,165,200.00	4.78
Total	26,898,915.91	59.40

37. Contract liabilities

Item	Closing balance	Opening balance
Advances from customers	6,875,795,980.69	5,067,603,304.92
Total	6,875,795,980.69	5,067,603,304.92

38. Sold and repurchase financial asset

Item	Closing balance	Opening balance
Loans	939,082.95	
Bonds	2,662,043,418.48	
Total	2,662,982,501.43	

39. Funds received as agent of stock exchange

Item	Closing balance	Opening balance
General brokerage	1,099,968,380.79	
Including: Individuals	867,505,487.36	
Organisations	232,462,893.43	
Credit business	77,593,644.58	
Including: Individuals	64,267,904.23	
Organisations	13,325,740.35	
Subtotal	1,177,562,025.37	
Add: Interest payable		
Total	1,177,562,025.37	

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

40. Employee benefits payable

(1) Classification of employee benefits payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Short-term employee benefits	270,295,882.75	1,877,021,727.62	1,753,548,238.40	393,769,371.97
Post-employment benefits - defined contribution plans	29,564,162.41	181,178,791.07	177,863,036.18	32,879,917.30
Termination benefits		16,663,554.82	16,529,408.82	134,146.00
Other benefits due within 1 year				
Others	260,938.00	1,651,786.09	1,875,524.09	37,200.00
Total	300,120,983.16	2,076,515,859.60	1,949,816,207.49	426,820,635.27

(2) Short-term employee benefits

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Salaries, bonuses, allowances and subsidies	225,019,393.74	1,574,865,560.62	1,452,234,772.83	347,650,181.53
Employee welfare expenses	3,955,495.24	58,700,312.87	58,692,555.82	3,963,252.29
Social insurance premiums	3,537,655.82	85,491,891.56	84,353,016.97	4,676,530.41
Including: Medical insurance premiums and maternity insurance premiums	3,512,254.20	80,383,785.47	79,266,060.41	4,629,979.26
Work injury insurance premiums	25,401.62	5,108,106.09	5,086,956.56	46,551.15
Others				
Housing provident fund	4,677,885.66	92,785,870.47	92,761,422.71	4,702,333.42

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Funds for trade unions and staff education	32,870,906.99	15,512,505.72	15,802,787.17	32,580,625.54
Short-term paid absence				
Short-term profit-sharing plan				
Other short-term remuneration	234,545.30	49,665,586.38	49,703,682.90	196,448.78
Total	270,295,882.75	1,877,021,727.62	1,753,548,238.40	393,769,371.97

(3) Defined contribution plans

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Basic pension insurance	3,002,999.64	138,260,297.13	136,595,906.12	4,667,390.65
Unemployment insurance premiums	31,371.81	5,355,494.30	5,285,551.91	101,314.20
Enterprise annuity contributions	26,529,790.96	37,562,999.64	35,981,578.15	28,111,212.45
Total	29,564,162.41	181,178,791.07	177,863,036.18	32,879,917.30

41. Taxes and fees payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Value-added tax (VAT)	152,596,358.05	438,428,476.48	510,830,955.52	80,193,879.01
Consumption tax	813.40	3,063,532.38	3,063,532.38	813.40
Enterprise income tax	635,202,157.50	881,783,202.95	677,786,977.35	839,198,383.10
City maintenance and construction tax	11,208,440.60	30,145,726.22	33,426,291.57	7,927,875.25

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Property tax	10,683,836.76	45,617,964.83	46,731,401.65	9,570,399.94
Land use tax	6,384,681.18	12,047,912.73	12,244,557.23	6,188,036.68
Individual income tax	39,728,821.98	119,965,134.71	131,367,548.65	28,326,408.04
Education surcharge (including local education surcharge)	7,442,234.09	22,291,119.31	24,110,294.68	5,623,058.72
Other taxes and fees	57,968,140.30	304,139,322.91	299,028,641.18	63,078,822.03
Total	921,215,483.86	1,857,482,392.52	1,738,590,200.21	1,040,107,676.17

Note: The amount of tax payable by the Company is based on the tax clearance (settlement) report from the tax authorities.

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

42. Other payables

Item	Closing balance	Opening balance
Interest payable	1,256,603.25	1,256,603.25
Dividends payable	258,372,657.02	263,838,924.76
Other payables	10,775,606,982.34	7,753,403,107.04
Total	11,035,236,242.61	8,018,498,635.05

(1) Interest payable**1) Classification of interest payable**

Item	Closing balance	Opening balance
Interest on long-term loans with interest payable in installments and principal repayment on maturity		
Interest on corporate bonds		
Interest payable on short-term loans		
Interest on preference shares/perpetual bonds classified as financial liabilities		
Other interest	1,256,603.25	1,256,603.25
Total	1,256,603.25	1,256,603.25

Note: Other interest is mainly the interest on policy-based pending financial transactions of the subsidiary Wuhan Grain and Oil Reserves Co., Ltd.

(2) Dividends payable

Item	Closing balance	Opening balance
Common share dividend	258,133,387.02	263,599,654.76
Dividends on preference shares/perpetual bonds classified as equity instruments		
Others	239,270.00	239,270.00
Total	258,372,657.02	263,838,924.76

(3) Other payables**1) Other payables classified by nature of payment**

Nature of payment	Closing balance	Opening balance
Current payments	8,738,384,864.21	5,830,964,411.18
Warranty, guarantee, earnest money, deposit	1,574,949,776.75	1,396,811,452.94
Agency collection and payment	92,487,859.84	73,086,039.07

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Nature of payment	Closing balance	Opening balance
Withholding payments	40,348,644.56	37,881,206.56
Accrued costs	26,638,433.51	28,066,288.70
Provisional receipts	77,494,839.99	98,335,209.08
Special funds	2,435,475.17	19,381,540.17
Funding for Party-building work	77,432,023.54	64,342,363.46
Interest payable	3,756,085.24	5,699,805.10
Employee Share Ownership Plan	22,096,875.10	53,732,468.74
Compensation for demolition and relocation	16,788,762.44	95,623,460.08
Subsidies	136,945.61	1,521.26
Provisionally estimated funds	17,638,332.16	98,606.39
Others	85,018,064.22	49,378,734.31
Total	10,775,606,982.34	7,753,403,107.04

2) Significant other payables with the aging over 1 year

Name of entity	Closing balance	Reasons for non-repayment
Jinzhou LIANGFENG Logistics Com., Ltd	10,000,000.00	Deposits
Hubei Province Grain and Oils Group (Xiaogan) Co., Ltd.	5,200,000.00	Deposits
Land intentions	2,024,989.37	Not yet due for settlement
Hubei Aite Investment Co., Ltd.	421,798.61	Not yet due for settlement
Wuhan Longyang Breeding Chuidiao Co., Ltd.	1,420,019,028.13	Not yet due for settlement
Wuhan Cold Control Equity Investment Fund Partnership (Limited Partnership)	994,000,000.00	Not yet due for settlement
Wuhan Haneagle Real-Estate Development Company Limited	204,230,000.00	Not yet due for settlement
Wuhan Diansheng Real Estate Development Co., Ltd.	104,088,888.88	Not yet due for settlement
State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government	53,982,000.00	Not yet due for settlement
Wuhan Jiangnan District Urban Renewal and Housing Acquisition Management Office	47,500,000.00	Not yet due for settlement
Wuhan Fuel Corporation	45,745,033.79	Not yet due for settlement
Wuhan Oil Group Co., Ltd.	26,884,417.50	Not yet due for settlement
Wuhan Shaou High Grade Edible Oil General Factory	20,107,501.24	Not yet due for settlement
Wuhan Municipal Reserve Grain and Oil Rotation Risk Fund	20,037,043.27	Not yet due for settlement
Wuchang District Urban Renewal Bureau	16,944,800.00	Not yet due for settlement
Wuhan Poultry and Egg Processing Factory	13,687,887.19	Not yet due for settlement

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of entity	Closing balance	Reasons for non-repayment
Wuhan Jiangnan District Land Consolidation and Reserve Affairs Center	13,016,137.00	Not yet due for settlement
Sichuan Mianzhu Jiannanchun Distillery Co., Ltd.	10,153,176.47	Not yet due for settlement
Wuhan Friendship Company	4,239,100.29	Not yet due for settlement
Saputo Dairy (China) Co., Ltd.	3,225,527.33	Not yet due for settlement
Wuhan Hansun Int'l Trade & ECONOMY(Holding) Co., Ltd.	3,061,277.67	Not yet due for settlement
Wuhan Jiangnan District Urban Renewal Bureau	2,500,000.00	Not yet due for settlement
Total	3,021,068,606.74	—

43. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term loans due within 1 year	9,142,949,923.79	10,885,782,587.63
Bonds payable due within 1 year	10,960,909,378.61	3,164,569,166.75
Long-term payables due within 1 year	5,197,293,281.56	4,034,262,898.22
Other long-term liabilities due within one year		
Lease liabilities due within 1 year	16,905,935.28	14,804,817.02
Total	25,318,058,519.24	18,099,419,469.62

44. Other current liabilities

Item	Closing balance	Opening balance
Short-term bonds payable	3,220,257,115.17	3,018,776,986.28
Output tax to be transferred	562,586,692.05	290,210,680.51
Endorsement of outstanding notes does not derecognize	162,776,944.67	147,970,012.08
Unearned premium reserve	31,647,561.45	47,571,929.80
Guaranteed indemnity reserve	119,506,347.73	116,892,799.88
Loans		304,781.59
Others	74,673.00	74,673.00
Total	4,096,849,334.07	3,621,801,863.14

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

45. Long-term loans

(1) Classification of short-term loans

Item	Closing balance	Opening balance
Pledged loan	636,074,790.13	453,825,042.89
Mortgage loan	2,197,185,795.64	992,269,207.97
Guaranteed loan	16,492,286,345.17	11,941,717,901.33
Credit loan	9,561,853,230.90	7,264,091,093.50
Total	28,887,400,161.84	20,651,903,245.69

46. Bonds payable

Item	Closing balance	Opening balance
Bonds payable	14,158,671,534.90	21,467,859,887.28

(1) Changes in bonds payable:

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
20 Hubei leasing debt	1,000,000,000.00	2020-10-30	36 months	1,000,000,000.00	1,004,651,178.79		
21 Hubei leasing debt 01	1,800,000,000.00	2021-3-19	36 months	1,800,000,000.00	1,854,672,504.88		
Wuhan Yangtze River Economy United Development Co., Ltd. 2021	250,000,000.00	2021-11-22	3 years	250,000,000.00	219,234,583.35		

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
Non-public issuance of corporate bonds (Phase I)							
Gas Bonds					12,648.00		
22 Wujinkong SCP004	1,000,000,000.00	2022.6.15	270 days	1,000,000,000.00	1,013,980,821.90	-1,013,980,821.90	
22 Wujinkong SCP005	1,000,000,000.00	2022.10.20	180 days	1,000,000,000.00	1,003,957,808.22	-1,003,957,808.22	
22 Wujinkong SCP006	1,000,000,000.00	2022.12.12	270 days	1,000,000,000.00	1,000,838,356.16	-1,000,838,356.16	
23 Wujinkong SCP001	1,000,000,000.00	2023.2.23	252 days	1,000,000,000.00			
23 Wujinkong SCP002	1,000,000,000.00	2023.3.16	270 days	1,000,000,000.00			
23 Wujinkong SCP003	1,000,000,000.00	2023.4.28	180 days	1,000,000,000.00			
23 Wujinkong SCP004	500,000,000.00	2023.10.16	256 days	500,000,000.00			
23 Wujinkong SCP005	1,000,000,000.00	2023.10.23	270 days	1,000,000,000.00			
23 Wujinkong SCP006	500,000,000.00	2023.10.30	150 days	500,000,000.00			
23 Wujinkong SCP007	1,000,000,000.00	2023.11.27	152 days	1,000,000,000.00			
20 Wujin 01	600,000,000.00	2020.3.11	10 years	600,000,000.00	624,314,794.48		
20 Wujin 02	400,000,000.00	2020.3.11	5+5 years	400,000,000.00	412,305,753.45		
21 Wujin 01	1,000,000,000.00	2021.3.23	6 years	1,000,000,000.00	1,031,114,520.52		
20 Wujinkong MTN001	1,000,000,000.00	2020.11.5	5 years	1,000,000,000.00	1,006,112,328.77		
21 Wujinkong MTN001	1,000,000,000.00	2021.2.26	3 years	1,000,000,000.00	1,036,739,726.05		

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
21 Wujinkong MTN002	800,000,000.00	2021.7.15	3 years	800,000,000.00	814,787,068.48		
21 Wujinkong MTN003	400,000,000.00	2021.8.13	5 years	400,000,000.00	406,838,356.16		
23 Wujinkong MTN001	800,000,000.00	2022.3.11	3 years	800,000,000.00	824,049,315.07		
23 Wujinkong MTN001	500,000,000.00	2023.4.26	3 years	500,000,000.00	0.00		
23 Wujinkong MTN002	500,000,000.00	2023.8.18	3 years	500,000,000.00	0.00		
23 Wujinkong MTN003	500,000,000.00	2023.8.24	3 years	500,000,000.00	0.00		
2021 USD Debt	2,876,580,000.00	2021.11.16	3 years	2,876,580,000.00	3,147,389,797.50		
2022 Phase I Wealth Management Direct Financing Instrument (Industrial Bank)	1,000,000,000.00	2022.6.24	2 years	1,000,000,000.00	1,000,000,000.00		
2023 Phase I Wealth Management Direct Financing Instrument (CITIC Bank)	300,000,000.00	2023.3.22	1 year	300,000,000.00	0.00		
2023 Phase II Wealth Management Direct Financing Instrument (SPD Bank)	300,000,000.00	2023.6.13	1 year	300,000,000.00			
2023 Phase III Wealth Management Direct Financing Instrument (SPD Bank)	200,000,000.00	2023.6.19	1.17 years	200,000,000.00			
2023 Phase IV Wealth Management Direct Financing Instrument (SPD Bank)	100,000,000.00	2023.6.19	1.5 years	100,000,000.00			
2023 Phase V Wealth Management Direct Financing Instrument (Bank of Communications)	1,000,000,000.00	2023.8.30	1 year	1,000,000,000.00			

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
19 E Financial Holdings ZR001 (Hua Xia Bank)	2,000,000,000.00	2019.6.28	5 years	2,000,000,000.00	2,000,000,000.00	-600,000,000.00	
20 E Financial Holdings ZR004 (Hengfeng Bank)	600,000,000.00	2020.9.28	3 years	600,000,000.00	605,379,452.06	-150,000,000.00	
23 E Financial Holdings ZR001 (HKB)	150,000,000.00	2021.3.23	2 years	150,000,000.00	154,095,000.00		
21 E Financial Holdings ZR002 (Industrial Bank)	500,000,000.00	2021.6.8	2 years	500,000,000.00	500,875,000.00	-500,000,000.00	
21 E Financial Holdings ZR005 (Industrial Bank)	100,000,000.00	2021.6.29	2 years	100,000,000.00	100,000,000.00	-100,000,000.00	
21 E Financial Holdings ZR006 (Ping An Bank)	1,000,000,000.00	2021.7.28	2 years	1,000,000,000.00	957,104,178.09	-950,000,000.00	
22 E Financial Holdings ZR001 (Everbright Bank)	400,000,000.00	2022.6.9	3 years	400,000,000.00	400,694,356.16		
22 E Financial Holdings ZR002 (Ping An Bank)	300,000,000.00	2022.6.22	2 years	300,000,000.00	300,000,000.00	-30,000,000.00	
22 E Financial Holdings ZR003 (Everbright Bank)	100,000,000.00	2022.8.5	682 days	100,000,000.00	100,598,630.14		
22 E Financial Holdings ZR004 (HKB)	850,000,000.00	2022.12.27	2 years	850,000,000.00	850,000,000.00		
23 E Financial Holdings ZR001 (HKB)	150,000,000.00	2023.3.31	2 years	150,000,000.00			
23 E Financial Holdings ZR002 (CGB)	490,000,000.00	2023.4.7	3 years	490,000,000.00			
Capital- Wuhan Leasing Intellectual Property Phase 1 Asset Support Special Plan (Specialized and Sophisticated Enterprises)	99,000,000.00	2023-12-1	2023-12-1-2026-8-13	99,000,000.00			

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase I)	1,440,000,000.00	2020-4-27	2020.04.27-2025.04.27	1,440,000,000.00	1,436,763,200.00		
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and Control Debt)	2,560,000,000.00	2020-6-9	2020.06.09-2025.06.09	2,560,000,000.00	2,560,690,133.32		
23 Wukai 01 Fund Raising	1,000,000,000.00	2023-3-2	2023.03.02-2026.03.02	1,000,000,000.00			
23 Wukai 02 Fund Raising	400,000,000.00	2023-4-14	2023.04.14-2026.04.14	400,000,000.00			
23 Wukai 03 Fund Raising	800,000,000.00	2023-5-4	2023.05.04-2026.03.02	800,000,000.00			
23 Wukai 04 Fund Raising	893,000,000.00	2023-6-5	2023.06.05-2026-03.02	893,000,000.00			
Jiuzhou Anxiang Phase 52	4,610,000.00	2021-9-23	543 days	4,610,000.00			4,873,717.22
Jiuzhou Anxiang Phase 56	4,260,000.00	2021-10-21	543 days	4,260,000.00			4,488,989.56
Jiuzhou Anxiang Phase 58	750,000.00	2021-11-4	536 days	750,000.00			789,020.55
Jiuzhou Anxiang Phase 64	5,000,000.00	2021-12-23	536 days	5,000,000.00			5,229,931.51
Jiuzhou Anxiang Phase 67	4,980,000.00	2022-1-6	536 days	4,980,000.00			5,200,416.17
Jiuzhou Anxiang Phase 69	4,970,000.00	2022-2-10	368 days	4,970,000.00			5,159,704.22
Jiuzhou Anxiang Phase 71	4,970,000.00	2022-2-17	536 days	4,970,000.00			5,164,238.48
Jiuzhou Anxiang Phase 73	9,970,000.00	2022-3-3	368 days	9,970,000.00			10,325,888.05

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
Jiuzhou Anxiang Phase 74	30,000,000.00	2022-3-24	368 days	30,000,000.00			30,996,657.53
Jiuzhou Anxiang Phase 77	1,410,000.00	2022-3-28	532 days	1,410,000.00			1,458,326.29
Jiuzhou Anxiang Phase 81	9,980,000.00	2022-4-28	536 days	9,980,000.00			10,283,911.51
Jiuzhou Anxiang Phase 83	10,000,000.00	2022-5-12	543 days	10,000,000.00			10,287,260.28
Jiuzhou Anxiang Phase 86	19,770,000.00	2022-5-26	518 days	19,770,000.00			20,303,790.03
Jiuzhou Anxiang Phase 87	10,000,000.00	2022-6-9	557 days	10,000,000.00			10,252,739.73
Jiuzhou Anxiang Phase 89	30,000,000.00	2022-6-13	366 days	30,000,000.00			30,710,383.55
Jiuzhou Anxiang Phase 91	10,000,000.00	2022-7-21	536 days	10,000,000.00			10,200,958.91
Jiuzhou Anxiang Phase 93	5,000,000.00	2022-8-4	368 days	5,000,000.00			5,087,767.11
Jiuzhou Anxiang Phase 94	10,000,000.00	2022-8-18	522 days	10,000,000.00			10,166,438.36
Jiuzhou Xinxiang Phase 6	1,980,000.00	2022-8-25	550 days	1,980,000.00			2,011,246.04
Jiuzhou Anxiang Phase 98	9,960,000.00	2022-9-22	536 days	9,960,000.00			10,082,794.52
Jiuzhou Anxiang Phase 101	9,980,000.00	2022-10-27	536 days	9,980,000.00			10,059,976.71
Jiuzhou Xinxiang Phase 10	1,290,000.00	2022-11-10	536 days	1,290,000.00			1,298,111.09
Jiuzhou Anxiang Phase 105	6,980,000.00	2022-12-22	543 days	6,980,000.00			6,987,744.93
Jiuzhou Xinxiang Phase 12	3,000,000.00	2023-1-5	368 days	3,000,000.00			
Jiuzhou Anxiang Phase 108	7,000,000.00	2023-2-9	536 days	7,000,000.00			
Jiuzhou Anxiang Phase 109	7,000,000.00	2023-2-23	368 days	7,000,000.00			

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
Jiuzhou Xinxiang Phase 14	2,960,000.00	2023-2-16	375 days	2,960,000.00			
Jiuzhou Anxiang Phase 110	10,000,000.00	2023-3-2	368 days	10,000,000.00			
Jiuzhou Anxiang Phase 111	20,000,000.00	2023-3-9	536 days	20,000,000.00			
Jiuzhou Anxiang Phase 113	19,990,000.00	2023-3-16	725 days	19,990,000.00			
Jiuzhou Anxiang Phase 114	10,000,000.00	2023-3-2	550 days	10,000,000.00			
Jiuzhou Anxiang Phase 115	10,000,000.00	2023-2-27	539 days	10,000,000.00			
Jiuzhou Anxiang Phase 116	29,630,000.00	2023-3-16	536 days	29,630,000.00			
Jiuzhou Anxiang Phase 120	18,290,000.00	2023-3-23	536 days	18,290,000.00			
Jiuzhou Anxiang Phase 119	5,000,000.00	2023-3-13	546 days	5,000,000.00			
Jiuzhou Anxiang Phase 121	15,120,000.00	2023-3-16	557 days	15,120,000.00			
Jiuzhou Anxiang Phase 122	21,510,000.00	2023-3-30	543 days	21,510,000.00			
Jiuzhou Anxiang Phase 128	50,000,000.00	2023-4-3	630 days	50,000,000.00			
Jiuzhou Anxiang Phase 124	30,000,000.00	2023-4-13	529 days	30,000,000.00			
Jiuzhou Anxiang Phase 126	19,490,000.00	2023-4-20	725 days	19,490,000.00			
Jiuzhou Anxiang Phase 127	18,310,000.00	2023-4-27	536 days	18,310,000.00			
Jiuzhou Anxiang Phase 132	22,000,000.00	2023-4-13	389 days	22,000,000.00			
Jiuzhou Anxiang Phase 133	11,200,000.00	2023-5-11	368 days	11,200,000.00			
Jiuzhou Anxiang Phase 134	9,990,000.00	2023-5-11	536 days	9,990,000.00			

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
Jiuzhou Anxiang Phase 136	19,430,000.00	2023-5-18	725 days	19,430,000.00			
Jiuzhou Anxiang Phase 137	20,000,000.00	2023-5-25	368 days	20,000,000.00			
Jiuzhou Anxiang Phase 138	17,130,000.00	2023-5-25	536 days	17,130,000.00			
Jiuzhou Anxiang Phase 141	28,500,000.00	2023-5-22	539 days	28,500,000.00			
Jiuzhou Anxiang Phase 142	9,110,000.00	2023-6-8	543 days	9,110,000.00			
Jiuzhou Anxiang Phase 143	7,390,000.00	2023-6-15	571 days	7,390,000.00			
Jiuzhou Anxiang Phase 144	15,000,000.00	2023-6-15	725 days	15,000,000.00			
Jiuzhou Anxiang Phase 145	22,600,000.00	2023-6-29	564 days	22,600,000.00			
Jiuzhou Anxiang Phase 146	30,000,000.00	2023-6-19	539 days	30,000,000.00			
Jiuzhou Anxiang Phase 147	17,640,000.00	2023-7-6	732 days	17,640,000.00			
Jiuzhou Anxiang Phase 148	16,560,000.00	2023-7-13	550 days	16,560,000.00			
Jiuzhou Anxiang Phase 149	14,030,000.00	2023-7-20	725 days	14,030,000.00			
Jiuzhou Anxiang Phase 150	21,390,000.00	2023-7-27	564 days	21,390,000.00			
Jiuzhou Anxiang Phase 151	14,000,000.00	2023-7-10	535 days	14,000,000.00			
Jiuzhou Anxiang Phase 152	17,300,000.00	2023-8-3	725 days	17,300,000.00			
Jiuzhou Anxiang Phase 153	8,880,000.00	2023-8-10	550 days	8,880,000.00			
Jiuzhou Anxiang Phase 154	17,470,000.00	2023-8-17	725 days	17,470,000.00			
Jiuzhou Anxiang Phase 155	17,580,000.00	2023-8-24	543 days	17,580,000.00			

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
Jiuzhou Anxiang Phase 157	20,200,000.00	2023-8-24	543 days	20,200,000.00			
Jiuzhou Anxiang Phase 158	60,000,000.00	2023-8-24	550 days	60,000,000.00			
Jiuzhou Anxiang Phase 159	9,200,000.00	2023-8-31	725 days	9,200,000.00			
Jiuzhou Anxiang Phase 160	9,780,000.00	2023-9-7	550 days	9,780,000.00			
Jiuzhou Anxiang Phase 161	29,270,000.00	2023-9-14	725 days	29,270,000.00			
Huayuan Anxiang Phase 162	15,770,000.00	2023-9-21	543 days	15,770,000.00			
Huayuan Anxiang Phase 163	50,000,000.00	2023-10-19	725 days	50,000,000.00			
Huayuan Anxiang Phase 164	12,200,000.00	2023-10-26	543 days	12,200,000.00			
Huayuan Anxiang Phase 165	21,750,000.00	2023-10-26	725 days	21,750,000.00			
Huayuan Anxiang Phase 166	20,000,000.00	2023-11-2	725 days	20,000,000.00			
Huayuan Anxiang Phase 167	40,420,000.00	2023-11-9	725 days	40,420,000.00			
Huayuan Anxiang Phase 168	13,270,000.00	2023-11-16	543 days	13,270,000.00			
Huayuan Anxiang Phase 169	11,300,000.00	2023-11-23	543 days	11,300,000.00			
Huayuan Anxiang Phase 170	29,910,000.00	2023-11-29	726 days	29,910,000.00			
Huayuan Anxiang Phase 171	50,000,000.00	2023-11-21	545 days	50,000,000.00			
Huayuan Anxiang Phase 172	30,000,000.00	2023-12-28	725 days	30,000,000.00			
Special debt for special railroad lines	450,000,000.00	2022-6-16	15 years	450,000,000.00	449,437,362.01		

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Total par value	Date of issue	Bond period	Issue amount	Opening balance	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Increase in consolidation in current period
20 Wuhan Trade MTN001	300,000,000.00	2020-1-19	3 years	300,000,000.00	300,000,000.00	-300,000,000.00	
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN002	500,000,000.00	2020-3-25	3 years	500,000,000.00	500,000,000.00	-500,000,000.00	
Total					26,816,636,873.56	-6,148,776,986.28	211,420,012.35

(Continued)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
20 Hubei leasing debt		37,348,821.21		1,042,000,000.00		
21 Hubei leasing debt 01		77,945,485.93		75,559,101.31		1,857,058,889.50
Wuhan Yangtze River Economy United Development Co., Ltd. 2021 Non-public issuance of corporate bonds (Phase I)	10,000,000.00	13,383,333.36	-11,723,434.98	10,000,000.00		220,894,481.73
Gas Bonds						12,648.00
22 Wujinkong SCP004		5,991,780.84		1,019,972,602.74		
22 Wujinkong SCP005		7,532,602.74		1,011,490,410.96		
22 Wujinkong SCP006	-	24,312,328.77		1,025,150,684.93		
23 Wujinkong SCP001	1,000,000,000.00	21,609,863.01		1,021,609,863.01		
23 Wujinkong SCP002	1,000,000,000.00	22,795,081.97		1,022,795,081.97		

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
23 Wujinkong SCP003	1,000,000,000.00	13,622,950.82		1,013,622,950.82		
23 Wujinkong SCP004	500,000,000.00	3,164,383.56		0.00	-503,164,383.56	
23 Wujinkong SCP005	1,000,000,000.00	5,753,424.66			-1,005,753,424.66	
23 Wujinkong SCP006	500,000,000.00	2,450,958.90			-502,450,958.90	
23 Wujinkong SCP007	1,000,000,000.00	2,713,698.63			-1,002,713,698.63	
20 Wujin 01		31,140,000.00		31,140,000.00		624,314,794.48
20 Wujin 02		15,760,000.00		15,760,000.00		412,305,753.45
21 Wujin 01	695,000,000.00	43,812,316.62		739,241,509.44	-812,509.63	1,029,872,818.07
20 Wujinkong MTN001		48,500,000.00		48,500,000.00		1,006,112,328.77
21 Wujinkong MTN001		45,000,000.00		45,000,000.00	-1,036,739,726.05	
21 Wujinkong MTN002		34,160,000.00		34,160,000.00	-814,787,068.48	
21 Wujinkong MTN003		19,200,000.00		19,200,000.00		406,838,356.16
23 Wujinkong MTN001		30,800,000.00		30,800,000.00		824,049,315.07
23 Wujinkong MTN001	500,000,000.00	14,643,317.31		1,132,075.47	-609,613.52	512,901,628.32
23 Wujinkong MTN002	500,000,000.00	6,857,468.63		1,197,028.30	-526,831.13	505,133,609.20
23 Wujinkong MTN003	500,000,000.00	6,554,933.25		1,132,075.47	-529,207.41	504,893,650.37
2021 USD Debt	53,145,000.00	109,081,541.25		108,855,675.00	-3,200,760,663.75	
2022 Phase I Wealth Management Direct Financing Instrument (Industrial Bank)		52,428,082.19		52,428,082.19	-1,000,000,000.00	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
2023 Phase I Wealth Management Direct Financing Instrument (CITIC Bank)	300,000,000.00	13,745,589.04			-313,745,589.04	
2023 Phase II Wealth Management Direct Financing Instrument (SPD Bank)	300,000,000.00	7,056,164.38		6,653,688.53	-300,402,475.85	
2023 Phase III Wealth Management Direct Financing Instrument (SPD Bank)	200,000,000.00	4,671,780.82		4,397,540.98	-200,274,239.84	
2023 Phase IV Wealth Management Direct Financing Instrument (SPD Bank)	100,000,000.00	2,470,136.99		2,325,136.62	-100,145,000.37	
2023 Phase V Wealth Management Direct Financing Instrument (Bank of Communications)	1,000,000,000.00	14,947,945.21		13,621,917.80	-1,001,326,027.41	
19 E Financial Holdings ZR001 (Hua Xia Bank)		142,204,931.51		142,204,931.51	-2,000,000,000.00	
20 E Financial Holdings ZR004 (Hengfeng Bank)		17,720,547.94		623,100,000.00		
23 E Financial Holdings ZR001 (HKB)		1,380,000.00		155,475,000.00		
21 E Financial Holdings ZR002 (Industrial Bank)		12,395,833.33		513,270,833.33		
21 E Financial Holdings ZR005 (Industrial Bank)		2,510,972.22		102,510,972.22		
21 E Financial Holdings ZR006 (Ping An Bank)		19,838,082.18		976,942,260.27		
22 E Financial Holdings ZR001 (Everbright Bank)		21,091,068.49		21,091,068.49		400,694,356.16
22 E Financial Holdings ZR002 (Ping An Bank)		5,799,452.05		305,799,452.05		
22 E Financial Holdings ZR003 (Everbright Bank)		4,746,728.79		4,746,728.79	-100,598,630.14	
22 E Financial Holdings ZR004 (HKB)		31,875,000.00		31,875,000.00	-850,000,000.00	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
23 E Financial Holdings ZR001 (HKB)	150,000,000.00	4,414,709.04		424,528.30	-153,918.12	153,836,262.62
23 E Financial Holdings ZR002 (CGB)	500,000,000.00	16,054,516.97		25,737,911.61	-514,354.13	489,802,251.23
Capital- Wuhan Leasing Intellectual Property Phase 1 Asset Support Special Plan (Specialized and Sophisticated Enterprises)	99,000,000.00	536,183.88	-3,429,629.81		-38,983,523.74	57,123,030.33
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase I)			3,236,800.00	1,440,000,000.00		
Wuhan Development Investment Co., Ltd. 2020 Non-public issuance of corporate bonds (Phase II) (Epidemic Prevention and Control Debt)			-690,133.32	1,657,700,000.00		902,300,000.00
23 Wukai 01 Fund Raising	999,140,000.00	7,142,444.45	286,666.67			1,006,569,111.12
23 Wukai 02 Fund Raising	399,656,000.00		114,666.67			399,770,666.67
23 Wukai 03 Fund Raising	799,312,000.00		229,333.33			799,541,333.33
23 Wukai 04 Fund Raising	892,232,020.00		255,993.33			892,488,013.33
Jiuzhou Anxiang Phase 52		44,900.18		4,918,617.40		
Jiuzhou Anxiang Phase 56		56,197.02		4,545,186.58		
Jiuzhou Anxiang Phase 58		10,541.09		799,561.64		
Jiuzhou Anxiang Phase 64		100,479.45		5,330,410.96		
Jiuzhou Anxiang Phase 67		108,673.15		5,309,089.32		
Jiuzhou Anxiang Phase 69		25,762.30		5,185,466.52		

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
Jiuzhou Anxiang Phase 71		134,190.01		5,298,428.49		
Jiuzhou Anxiang Phase 73		76,345.59		10,402,233.64		
Jiuzhou Anxiang Phase 74		303,945.21		31,300,602.74		
Jiuzhou Anxiang Phase 77		44,154.26		1,502,480.55		
Jiuzhou Anxiang Phase 81		355,588.76		10,639,500.27		
Jiuzhou Anxiang Phase 83		382,191.77		10,669,452.05		
Jiuzhou Anxiang Phase 86		728,781.75		21,032,571.78		
Jiuzhou Anxiang Phase 87		433,972.60		10,686,712.33		
Jiuzhou Anxiang Phase 89		583,150.70		31,293,534.25		
Jiuzhou Anxiang Phase 91		450,000.00				10,650,958.91
Jiuzhou Anxiang Phase 93		129,000.01		5,216,767.12		
Jiuzhou Anxiang Phase 94		450,000.00				10,616,438.36
Jiuzhou Xinxiang Phase 6		89,100.00				2,100,346.04
Jiuzhou Anxiang Phase 98		448,200.00				10,530,994.52
Jiuzhou Anxiang Phase 101		449,100.00				10,509,076.71
Jiuzhou Xinxiang Phase 10		58,050.00				1,356,161.09
Jiuzhou Anxiang Phase 105		314,100.00				7,301,844.93
Jiuzhou Xinxiang Phase 12	3,000,000.00	127,232.88				3,127,232.88

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
Jiuzhou Anxiang Phase 108	7,000,000.00	280,479.45				7,280,479.45
Jiuzhou Anxiang Phase 109	7,000,000.00	256,468.49				7,256,468.49
Jiuzhou Xinxiang Phase 14	2,960,000.00	110,890.52				3,070,890.52
Jiuzhou Anxiang Phase 110	10,000,000.00	358,136.99				10,358,136.99
Jiuzhou Anxiang Phase 111	20,000,000.00	716,054.79				20,716,054.79
Jiuzhou Anxiang Phase 113	19,990,000.00	730,593.42				20,720,593.42
Jiuzhou Anxiang Phase 114	10,000,000.00	374,794.52				10,374,794.52
Jiuzhou Anxiang Phase 115	10,000,000.00	369,241.10				10,369,241.10
Jiuzhou Anxiang Phase 116	29,630,000.00	1,035,832.33				30,665,832.33
Jiuzhou Anxiang Phase 120	18,290,000.00	623,964.60				18,913,964.60
Jiuzhou Anxiang Phase 119	5,000,000.00	176,602.74				5,176,602.74
Jiuzhou Anxiang Phase 121	15,120,000.00	528,578.63				15,648,578.63
Jiuzhou Anxiang Phase 122	21,510,000.00	715,664.22				22,225,664.22
Jiuzhou Anxiang Phase 128	50,000,000.00	1,676,712.33				51,676,712.33
Jiuzhou Anxiang Phase 124	30,000,000.00	947,506.85				30,947,506.85
Jiuzhou Anxiang Phase 126	19,490,000.00	626,349.86				20,116,349.86
Jiuzhou Anxiang Phase 127	18,310,000.00	547,393.75				18,857,393.75
Jiuzhou Anxiang Phase 132	22,000,000.00	615,879.45				22,615,879.45

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
Jiuzhou Anxiang Phase 133	11,200,000.00	287,210.96				11,487,210.96
Jiuzhou Anxiang Phase 134	9,990,000.00	281,800.11				10,271,800.11
Jiuzhou Anxiang Phase 136	19,430,000.00	555,857.70				19,985,857.70
Jiuzhou Anxiang Phase 137	20,000,000.00	482,191.78				20,482,191.78
Jiuzhou Anxiang Phase 138	17,130,000.00	454,296.99				17,584,296.99
Jiuzhou Anxiang Phase 141	28,500,000.00	731,317.81				29,231,317.81
Jiuzhou Anxiang Phase 142	9,110,000.00	205,661.37				9,315,661.37
Jiuzhou Anxiang Phase 143	7,390,000.00	161,162.74				7,551,162.74
Jiuzhou Anxiang Phase 144	15,000,000.00	359,835.62				15,359,835.62
Jiuzhou Anxiang Phase 145	22,600,000.00	458,191.78				23,058,191.78
Jiuzhou Anxiang Phase 146	30,000,000.00	641,095.89				30,641,095.89
Jiuzhou Anxiang Phase 147	17,640,000.00	378,510.90				18,018,510.90
Jiuzhou Anxiang Phase 148	16,560,000.00	310,329.86				16,870,329.86
Jiuzhou Anxiang Phase 149	14,030,000.00	277,371.18				14,307,371.18
Jiuzhou Anxiang Phase 150	21,390,000.00	368,025.21				21,758,025.21
Jiuzhou Anxiang Phase 151	14,000,000.00	266,958.90				14,266,958.90
Jiuzhou Anxiang Phase 152	17,300,000.00	312,821.92				17,612,821.92
Jiuzhou Anxiang Phase 153	8,880,000.00	139,160.55				9,019,160.55

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
Jiuzhou Anxiang Phase 154	17,470,000.00	286,412.27				17,756,412.27
Jiuzhou Anxiang Phase 155	17,580,000.00	248,528.22				17,828,528.22
Jiuzhou Anxiang Phase 157	20,200,000.00	285,567.12				20,485,567.12
Jiuzhou Anxiang Phase 158	60,000,000.00	848,219.18				60,848,219.18
Jiuzhou Anxiang Phase 159	9,200,000.00	135,303.01				9,335,303.01
Jiuzhou Anxiang Phase 160	9,780,000.00	123,254.79				9,903,254.79
Jiuzhou Anxiang Phase 161	29,270,000.00	381,071.34				29,651,071.34
Huayuan Anxiang Phase 162	15,770,000.00	174,550.14				15,944,550.14
Huayuan Anxiang Phase 163	50,000,000.00	440,000.00				50,440,000.00
Huayuan Anxiang Phase 164	12,200,000.00	88,241.10				12,288,241.10
Huayuan Anxiang Phase 165	21,750,000.00	173,046.57				21,923,046.57
Huayuan Anxiang Phase 166	20,000,000.00	142,246.58				20,142,246.58
Huayuan Anxiang Phase 167	40,420,000.00	253,372.49				40,673,372.49
Huayuan Anxiang Phase 168	13,270,000.00	65,441.10				13,335,441.10
Huayuan Anxiang Phase 169	11,300,000.00	47,057.53				11,347,057.53
Huayuan Anxiang Phase 170	29,910,000.00	115,378.85				30,025,378.85
Huayuan Anxiang Phase 171	50,000,000.00	213,698.63				50,213,698.63
Huayuan Anxiang Phase 172	30,000,000.00	10,849.32				30,010,849.32

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Bond name	Issue in current period	Interest accrued at par value	Amortization of premium and discount	Current repayment	Reclassification to bonds payable due within 1 year/reclassification of short-term bonds	Closing balance
Special debt for special railroad lines	-449,437,362.01					
20 Wuhan Trade MTN001						
20 Wuhan Trade (Epidemic Prevention and Control Debt) MTN002						
Total	14,625,617,657.99	1,054,463,301.22	-11,719,738.11	14,562,754,727.75	-13,974,991,844.36	14,158,671,534.90

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

47. Lease liabilities

Item	Closing balance	Opening balance
Lease payments	212,243,550.87	104,992,268.98
Less: Unrecognized financing costs	26,132,236.12	12,091,648.79
Reclassification to non-current liabilities due within one year	16,905,935.28	14,804,817.02
Net lease liabilities	169,205,379.47	78,095,803.17

48. Long-term payables

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Long-term payables	5,280,726,376.12	8,197,728,584.99	8,757,911,698.27	4,720,543,262.84
Special payables	57,915,247.09	1,005,791,723.66	6,450,000.00	1,057,256,970.75
Total	5,338,641,623.21	9,203,520,308.65	8,764,361,698.27	5,777,800,233.59

(1) Top five long-term payables with the largest closing balances

Item	Closing balance	Opening balance
Total	1,974,667,142.23	1,321,912,184.39
Including:		
Huarong Financial Leasing Co., Ltd.	780,937,355.00	586,324,559.37
Bank of Beijing Financial Leasing Company	371,498,933.73	337,812,776.93
Haitong Unitrust International Leasing Co., Ltd.	301,857,432.27	221,531,312.00
Huangshi City Chengfa Finance Leasing Co., Ltd.	261,257,328.82	
CITIC Financial Leasing Co., Ltd.	259,116,092.41	176,243,536.09

(2) Top five special payables with the largest closing balances

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Total	17,001,976.00	998,901,723.66		1,015,903,699.66
Including:				
Special debt for special railroad lines		449,482,923.66		449,482,923.66
2023 Hubei Provincial People's Government Special Bonds (Phase 5) - Frozen Product Processing Phase I Project		299,680,800.00		299,680,800.00
2023 Hubei Provincial People's Government Special Bonds (Phase 75) - Frozen Product Processing Phase I Project		249,738,000.00		249,738,000.00
Wuhan Finance Bureau Grant	15,000,000.00			15,000,000.00
Entrusted loan by Municipal Finance Bureau	2,001,976.00			2,001,976.00

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

49. Long-term employee benefits payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Post-employment benefits - net liabilities for defined benefit plans				
II. Termination benefits				
III. Other long-term benefits	39,633,150.00	16,186,537.15	9,483,223.56	46,336,463.59
Total	39,633,150.00	16,186,537.15	9,483,223.56	46,336,463.59

50. Estimated liabilities

Item	Closing balance	Opening balance
External guarantees	25,916,103.09	25,916,103.09
Pending litigation	6,000,000.00	
Trust business reserve	179,230,840.00	172,662,300.00
Estimated losses on capital management products borne by self-owned funds	17,207,518.27	
Total	228,354,461.36	198,578,403.09

51. Deferred income

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Deferred income	359,162,142.22	1,791,165,178.98	646,542,766.90	1,503,784,554.30
Total	359,162,142.22	1,791,165,178.98	646,542,766.90	1,503,784,554.30

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(1) Deferred income:

Item	Closing balance		Amount charged to the current profit or loss	Amount refunded in current period	Reason for refund
	Amount included in other current liabilities	Amount included in deferred income			
2023 Vehicle Purchase Tax Revenue Subsidy for Local Funding Budget (First Batch) for the Wuhan National Integrated Freight Hub Supply Chain Strengthening Project Fund		263,400,000.00			
Enterprise development support funds for Shuangliu Street		160,000,000.00			
Financial subsidies for investments in fixed assets under the provincial budget of Wuhan Xinzhou District Development and Reform Commission		2,000,000.00			
Central special subsidies		63,800,000.00			
Fixed asset investments under the provincial budget		2,000,000.00			
The first phase of funds from the emergency security center of the Provincial Food Administration		84,650,000.00			
2023 Provincial Budget Modern Logistics Special Guidance Investment Plan Subsidies (Jiangbei Grain Depot)		5,000,000.00			
Construction funds for Wuhan Municipal Government Reserve Grain Depot (Jiangbei) Project		238,090,000.00			
2023 Green Warehousing Improvement Action Project Funds		20,000,000.00			
Central budget funds		6,000,000.00			
Intermodal transport and supply chain financial services platform		895,833.33	104,166.67		
Subsidy for new energy vehicles		35,548,124.63	40,602,500.02		
Handling charges and initial rent		453,695,432.82			
Funds for grain depot construction		66,216,510.00	2,433,288.78		
Special funds from the Development and Reform Commission for central urban and rural cold chain and national logistics hub construction project		12,000,000.00			

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Closing balance		Amount charged to the current profit or loss	Amount refunded in current period	Reason for refund
	Amount included in other current liabilities	Amount included in deferred income			
Enterprise support and development fund		13,701,090.00			
Double hundreds market project		1,257,142.89	62,857.14		
Refrigerated warehouse renovation-No.1 warehouse		2,232,142.83	100,000.00		
Refrigerated warehouse renovation-No.6 warehouse		2,007,142.85	85,714.29		
Financial allocation for informatization project (Phase I)		2,606,680.00	450,000.00		
Financial allocation for informatization project (Phase II)		9,918,320.00	1,800,000.00		
10,000-ton cold storage project		2,000,000.00			
Phase I project grants		13,631,630.56	1,950,256.14		
Subsidy for No.4 Cold Storage Project		450,000.00			
Government grant for the renovation of the centralized supervision warehouse			300,000.00		
Cold Chain Logistics Investment Project of a new type of agricultural operating entity		12,566,932.00	653,068.00		
Subsidy funds for the construction of infrastructure in the park		17,119,732.00			
Special funds for industrial structure adjustment		3,200,900.00			
Special funds for environmental protection		714,285.68			
Special funds for heavy metal pollution prevention and control		511,821.02			
Special funds for science and technology		147,619.30			
Public infrastructure construction subsidies from financial institutions in Danyang Economic & Technological Development Zone, Jiangsu Province		3,949,400.00			
2016 Shenzhen Future Industry Development Special Funds (Exclusive for Military Industries)		1,173,305.33			

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Closing balance			Amount charged to the current profit or loss	Amount refunded in current period	Reason for refund
	Amount included in other current liabilities	Amount included in deferred income				
Special support funds for the development of the integrated circuit industry		675,509.06				
Video display processor industrialization capacity building project		2,625,000.00				
Total		1,503,784,554.30		48,541,851.04		--

52. Other non-current liabilities

Item	Closing balance		Opening balance
Long-term borrowed funds		366,000,000.00	366,687,253.34
Hubei Hongtai Capital Investment Co., Ltd.		150,184,693.78	
Subsidy funds for the construction of infrastructure in the park			17,119,732.00
Total		516,184,693.78	383,806,985.34

53. Paid-in capital

Investor	Opening balance		Increase in current period	Decrease in current period	Closing balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government	8,318,049,395.60	100.00		431,096,308.02	7,886,953,087.58	94.82
Hubei State-owned Equity Operation Management Co., Ltd.			431,096,308.02		431,096,308.02	5.18
Total	8,318,049,395.60	100.00	431,096,308.02	431,096,308.02	8,318,049,395.60	100.00

54. Other equity instruments

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Outstanding financial instruments issued	Beginning of the period	Increase in current period		Decrease in current period		End of the period
	Book value	Book value		Book value		Book value
2020 Wujin Y1 Renewable corporate bonds	500,000,000.00			500,000,000.00		
22 Wujin Y1	1,000,000,000.00					1,000,000,000.00
22 Wujin Y2	500,000,000.00			500,000,000.00		
22 Wujinkong MTN002	500,000,000.00					500,000,000.00
22 Wujinkong MTN003	700,000,000.00					700,000,000.00
22 Wujinkong MTN004	1,000,000,000.00					1,000,000,000.00
23 Wujinkong MTN004		600,000,000.00				600,000,000.00
Total	4,200,000,000.00	600,000,000.00		1,000,000,000.00		3,800,000,000.00

55. Capital reserves

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Capital (or equity) premium				
II. Other capital reserves	6,842,282,406.38	58,017,267.62		6,900,299,674.00
Total	6,842,282,406.38	58,017,267.62		6,900,299,674.00
Including: State-owned exclusive capital reserves				

Note: The increase in capital reserve and other capital reserves for the current period is primarily due to the free transfer of 100% equity of Wuhan Wujian Technology Co., Ltd., a wholly-owned sub-subsidiary of Wuhan Industrial Investment Holding Group Co., Ltd., to Wuhan Industrial State-owned Investment Co., Ltd., a subsidiary of the Group, as approved by the State-Owned Assets Supervision and Administration Commission of Wuhan Municipal

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

People's Government in the Reply on the Free Transfer of Equity of Wuhan Wujian Technology Co., Ltd. (Wu Guo Zi Chan Quan [2023] No. 5). In addition, according to the Special Audit Report (Zhongxi E Special Audit No. 2023Z00002) issued by Zhongxi CPAS (Special General Partnership) Hubei Branch, the owner's equity of Wuhan Wujian Technology Co., Ltd. as of the transfer date (March 31st, 2023) was RMB 86,419,624.45. Accordingly, the Company's capital reserve increased by RMB 86,419,624.45.

56. Special reserve

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance	Note
Safety production costs	3,117,081.50			3,117,081.50	
Total	3,117,081.50			3,117,081.50	— —

57. Surplus reserves

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	382,382,923.77			382,382,923.77
Discretionary surplus reserve				
Reserve funds				
Enterprise expansion funds				
Others				
Total	382,382,923.77			382,382,923.77

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

58. General risk reserve

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
General risk reserve	961,498,896.45	116,038,877.96		1,077,537,774.41
Total	961,498,896.45	116,038,877.96		1,077,537,774.41

59. Undistributed profit

Item	Amount in current period	Amount in previous period
Closing balance in previous year	-2,488,401,500.12	-1,022,090,267.04
Opening adjustment amount		-540,637,570.94
Including: Changes in accounting policies		5,123.36
Correction of prior period errors		-540,642,694.30
Opening balance in current year	-2,488,401,500.12	-1,562,727,837.98
Increase in current year	795,649,716.65	107,543,372.25
Including: Transfer of net profit for the year	789,479,873.74	108,655,346.09
Other adjustment factors	6,169,842.91	-1,111,973.84
Decrease in current year	1,815,701,636.35	1,033,217,034.39
Including: Appropriation of surplus reserve in current year		
Appropriation of general risk reserve in current year	116,038,877.96	187,701,946.61
Cash dividends distributed in current year	1,271,024,259.69	366,287,800.00
Transfer to capital		
Other decrease	428,638,498.70	479,227,287.78
Closing balance in current year	-3,508,453,419.82	-2,488,401,500.12

60. Operating income and operating cost**(1) Operating income and operating cost**

Item	Incurred in current period	
	Income	Cost
Similar financial services sector	1,774,229,380.63	109,050,758.24
Industry sector	74,801,438,721.74	72,589,264,824.94
Total	76,575,668,102.37	72,698,315,583.18

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(Continued)

Item	Incurred in previous period	
	Income	Cost
Similar financial services sector	2,635,920,086.25	103,994,962.28
Industry sector	52,795,723,316.62	50,964,043,299.47
Total	55,431,643,402.87	51,068,038,261.75

61. Net interest income

Item	Amount in current period	Amount in previous period
Interest income	3,363,181,977.88	2,579,050,020.41
—Deposits in other banks	68,987,039.64	48,789,498.20
-Deposits with the Central Bank		
-Lending to banks and other financial institutions	10,021,546.07	33,031,281.24
-Loans and advances	3,071,882,352.22	2,495,087,465.62
Including: Personal loans and advances	-62,491.50	0.00
Corporate loans and advances	3,071,944,843.72	2,495,087,465.62
Discounted bills		
-Buying back the sale of financial assets	38,570,963.92	2,140,401.69
-Bond investment	136,778,921.56	
-Others	36,941,154.47	1,373.66
Including: Interest income on impaired financial assets		
Interest expenses	1,940,419,268.61	1,626,036,860.67
—Interbank deposits	1,790,626.35	
—Borrowings from the Central Bank		
-Borrowing funds	1,724,669,562.90	1,472,378,892.20
-Deposits from customers		
-Financial assets sold for repurchase	57,634,076.86	
-Issuance of bonds	149,741,169.06	122,093,402.49
-Others	6,583,833.44	31,564,565.98
Net interest income	1,422,762,709.27	953,013,159.74

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

62. Net income from handling charges and commissions

Item	Amount in current period	Amount in previous period
Handling charges and commission income	800,792,391.48	1,630,038,196.95
-Settlement and clearing fees		
-Agency business handling charges	122,072,864.90	
-Credit commitment handling charges and commissions		
-Bank card handling charges		
-Advisory and consulting fees	157,904,358.06	51,455,700.23
-Commissions on custodianship and other fiduciary services	511,128,810.02	816,877,886.75
-Lease business handling charges		761,697,534.48
-Others	9,686,358.50	7,075.49
Handling charges and commission expenses	103,318,175.91	30,066,918.04
Handling charges expenses	66,082,293.84	
Commission expenses	37,235,882.07	30,066,918.04
Net income from handling charges and commissions	697,474,215.57	1,599,971,278.91

63. Selling expenses

Item	Amount in current period	Amount in previous period
Warehousing and storage	157,361,333.66	76,046,589.51
Employee benefits	103,469,655.47	115,709,204.93
Depreciation	46,785,878.14	63,075,686.58
Sales and service costs	31,004,718.29	10,984,118.33
Office expenses	9,963,284.96	6,507,551.76
Travel expenses	5,315,548.18	3,249,049.19
Amortization expenses	4,885,808.55	
Advertising costs	4,834,214.31	1,861,575.87
Transport costs	3,033,261.38	8,190,231.11
Loading and unloading charges	2,974,200.40	437,875.21
Insurance costs	1,313,767.45	375,869.94
Business entertainment expenses	1,130,596.85	13,305.34
Property management fees	792,290.26	110,582.92
Packaging costs	657,505.16	279,126.34
Conference fees	444,179.01	

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period	Amount in previous period
Sample and product wear and tear	414,661.08	2,843,744.60
Vehicle costs	361,232.63	1,285,803.32
Commissioning fee	342,395.42	1,686,857.47
Repair costs	48,912.29	329,755.79
Consulting fees	29,742.48	102,137.26
Operating expenses	7,844.00	1,911,042.86
Others	22,230,857.94	20,674,198.76
Total	397,401,887.91	315,674,307.09

64. General and administrative expenses

Item	Amount in current period	Amount in previous period
Employee benefits	1,356,725,761.91	1,042,810,787.34
Depreciation	118,966,721.27	122,507,664.83
Amortization of intangible assets	74,457,382.32	53,795,495.34
Intermediary fees	50,975,385.49	62,240,447.75
Depreciation of right-of-use assets	36,872,595.49	12,969,206.70
Lease fees	32,500,230.73	20,990,500.85
Travel expenses	28,538,080.52	13,643,801.20
Office expenses	25,826,640.91	30,386,284.28
Property management fees	25,664,328.12	22,358,914.99
Information and technology fees	19,305,515.60	3,723,362.88
Business entertainment expenses	17,187,783.66	12,995,430.27
Electricity, water, gas and oil costs	15,239,605.02	2,205,212.15
Materials consumption	12,730,289.04	70,366.83
Repair costs	8,387,579.61	9,324,185.57
Posts and telecommunications charges	7,619,252.54	1,702,555.36
Vehicle costs	7,261,589.51	3,907,778.15
Litigation expenses	4,386,199.86	2,181,914.42
Security costs	4,304,225.81	970,463.24
Consulting fees	3,321,479.54	4,714,955.96
Insurance costs	3,195,559.21	5,870,604.19
Funding for Party-building work	3,037,759.87	5,580,949.58
Amortization of long-term deferred	2,721,527.20	3,569,096.88

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period	Amount in previous period
expenses		
Conference fees	2,203,883.94	1,374,178.07
Sewerage fee	2,068,684.48	726,771.65
Board fees	511,458.86	257,000.00
Inventory losses	237,631.84	28,878.31
Others	150,612,729.64	133,076,320.15
Total	2,014,859,881.99	1,573,983,126.94

65. Research and development expenses

Item	Amount in current period	Amount in previous period
Employee benefits	55,385,096.96	63,680,021.44
Direct material costs	79,748,831.56	42,169,817.34
Depreciation and amortization	14,479,263.63	23,271,051.89
Commissioned development fees	12,181,787.48	16,829,239.04
Sample R&D		4,815.68
Technical service fees	3,340,250.00	288.50
Software copyright registration fees	17,100.00	
Annual patent fee		5,820.00
Others	3,097,896.13	4,263,743.79
Total	168,250,225.76	150,224,797.68

66. Financial expenses

Type	Amount in current period	Amount in previous period
Interest expenses	4,224,714,349.27	3,785,197,249.47
Less: Interest income	220,549,457.39	132,951,938.74
Less: Net exchange gains	1,738,055.21	6,992,571.56
Add: Net exchange losses	57,456,717.60	280,467,085.86
Add: Handling charges	106,370,855.92	93,275,769.43
Add: Others	5,543,667.34	54,241,185.48
Total	4,171,798,077.53	4,073,236,779.94

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

67. Other income

Item	Amount in current period	Amount in previous period
Tax deductions and tax refunds	9,789,421.20	14,191,700.43
Withholding of personal tax handling charge	1,642,387.65	2,416,049.46
Job stabilization subsidy	2,129,410.35	3,934,021.55
Financial operating incentives	123,629,003.69	187,733,559.81
Enterprise support funds	36,841,698.11	3,612,571.24
Entrepreneurship subsidy		62,197.00
Work-based training subsidy		100,880.89
Anti-epidemic subsidies		273,010.45
Enterprise expansion bonus	19,607,908.00	8,165,034.40
Others	131,897,579.46	88,364,774.29
Total	325,537,408.46	308,853,799.52

(1) Details of the amount of other items in other income for the current period are as follows:

Item	Amount in current period
Management fees for military supply operations allocated by the Provincial Bureau	1,950,000.00
Municipal-level grain and oil reserve subsidy	21,369,000.00
Subsidy for reserve grain management system construction project	40,340.00
Subsidies for local grain reserves	10,580,355.44
Subsidies for storage fees for the central grain reserve	966,031.71
Market monitoring subsidy	15,566.04
Subsidies for municipal grain and oil reserves	12,738,683.75
Subsidies for 450 tons of rice drying equipment	300,000.00
Subsidies for emergency support enterprises	1,577.35
Government reserve subsidy	30,022,988.07
Bonus for intermodal transport demonstration projects for supply chain financial services platforms	20,000,000.00
2023 Municipal Foreign Economic and Trade Development Funds (Leading Enterprise Cultivation) (First Batch)	8,300,000.00
Amortization of government grants related to assets	2,398,158.44
Special funds for the development of the integrated circuit industry in the Economic and Technological Development Zone	3,837,100.00
Research and development subsidy funds	3,481,900.00

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period
Enterprise support funds from the Finance Bureau	1,350,000.00
Special funds for military-civilian integration development	2,420,000.00
Special funds for innovation of science and technology	2,335,197.20
Special incentives for high-end talents	700,000.00
Subsidies for research and development of high-frequency auxiliary power supply systems for lightweight EMUs	1,000,000.00
Subsidies for the development of Specialized and Sophisticated Enterprises	1,500,000.00
Subsidies for high-tech enterprises	760,000.00
Special funds for the construction of advanced manufacturing hubs	330,000.00
Insurance subsidy (social insurance subsidy)	141,153.36
Other subsidy funds	5,359,528.10
Total	131,897,579.46

68. Investment income

Item	Amount in current period	Amount in previous period
Income arising from long-term equity investments under the equity method	328,838,460.86	356,639,196.60
Investment income on long-term equity investments accounted for under the cost method		
Investment income arising from disposal of long-term equity investments	418,469,492.76	-230,126.51
Investment income from financial assets held for trading during the holding period	174,264,365.41	259,096,219.20
Investment income from disposal of financial assets held for trading	5,422,851.21	-150,622,088.38
Investment income from investments in other equity instruments during the holding period	1,255,559,227.98	14,629,541.29
Interest income on debt investments during the holding period		2,348,377.87
Investment income from disposal of debt investments	58,126,038.63	29,814,768.58
Investment income from other debt investments during the holding period	36,660,659.93	51,139,188.74
Gain on disposal of debt investments	2,356.61	
Investment income from disposal of other debt investments	8,560,736.80	19,643.95
Investment income earned on other non-current financial assets during the holding period	1,679,364.96	1,630,127.54
Gain on remeasurement of equity at fair value on acquisition of control	42,173,402.04	
Investment income from debt restructuring	294,664,866.14	249,336,240.87
Others	22,618,731.11	4,026,031.97
Total	2,647,040,554.44	817,827,121.72

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

69. Income from the change in fair value

Source of income from change in fair value	Current year amount	Prior year amount
Financial assets held for trading	439,379,915.02	-58,591,820.91
Other non-current financial assets	88,189,808.44	186,672,010.93
Investment properties measured at fair value	30,038,406.04	33,184,304.69
Total	557,608,129.50	161,264,494.71

70. Credit impairment losses

Item	Amount in current period	Amount in previous period
Bad debt losses	-914,627,917.37	-223,265,228.05
Credit impairment loss on debt investments	-56,829,516.30	233,370,526.27
Impairment loss on other debt investments	-2,190,787.67	
Others	-8,808,770.08	6,301,068.37
Total	-982,456,991.42	16,406,366.59

71. Impairment loss on assets

Item	Amount in current period	Amount in previous period
Loss on decline in value of inventories	-62,673,388.30	-79,494,909.37
Impairment loss on fixed assets		-813,634.02
Impairment losses on intangible assets	-1,999,115.00	
Impairment loss on goodwill	-37,794,170.78	
Others	-24,305,359.13	12,980,523.48
Total	-126,772,033.21	-67,328,019.91

72. Income from disposal of assets

Item	Amount in current period	Amount in previous period	Amount included in non-recurring profit or loss for the period
Gain on disposal of non-current assets	10,342,413.35	8,317,102.79	10,342,413.35
Gain on disposal of non-current assets not classified as held for sale	10,342,413.35	8,317,102.79	10,342,413.35
Including: Gain on disposal of fixed assets	9,598,096.75	4,798,740.60	9,598,096.75
Gain on disposal of intangible assets		3,514,816.00	
Gain on disposal of right-to-use assets	744,316.60	3,546.19	744,316.60
Gain on disposal of other assets		22,878,155.06	
Total	10,342,413.35	31,195,257.85	10,342,413.35

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

73. Non-operating income

Item	Amount in current period	Amount in previous period	Amount included in non-recurring profit or loss for the year
Gains on disposal of damaged or scrapped non-current assets	2,493,959.61	1,144,656.75	2,493,959.61
Government grants not related to the daily activities of the business	2,749,280.00	4,997,590.80	2,749,280.00
Penalties, default income	52,838,626.66	8,570,657.24	52,838,626.66
Unpayable payments	20,431,111.43	54,966,993.20	20,431,111.43
Lease income from debt-settled assets	4,526,318.72	4,422,067.62	4,526,318.72
Others	14,510,478.97	52,607,848.00	14,510,478.97
Total	97,549,775.39	126,709,813.61	97,549,775.39

(1) Details of government grants not related to the daily activities of the enterprise

Item	Amount in current period	Amount in previous period
Donghu High-tech Development Zone Settlement Award	1,945,200.00	2,255,000.00
Funds for incentive reward redemption		81,500.00
Subsidy for electricity supply	3,000.00	2,519.38
Grain circulation statistics funds	1,080.00	
Incentives for road freight transportation	600,000.00	
Special Funds for Science and Technology Innovation in Ezhou City in 2023	10,000.00	
Subsidies from the Administration Committee of Hai'an Trade and Logistics Industrial Park, Jiangsu Province	150,000.00	
Amortization of deferred income		2,498,571.42
Supply Guarantee Subsidies for Key Supply Guarantee Enterprises in 2023	40,000.00	
Municipal Service Industry Guidance Fund Rewards		160,000.00
Total	2,749,280.00	4,997,590.80

74. Non-operating expenses

Item	Amount in current period	Amount in previous period	Amount included in non-recurring profit or loss for the year
Loss on disposal of damaged or scrapped non-current assets	10,377,609.68	2,203,965.74	10,377,609.68
Loss on external donations	5,096,880.00	834,149.95	5,096,880.00
Fine expenses, late payment fees	9,249,970.40	18,651,204.30	9,249,970.40
Damages, liquidated damages	4,496,919.30	4,578,454.48	4,496,919.30

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period	Amount in previous period	Amount included in non-recurring profit or loss for the year
Carbon emission allowance		3,000,000.00	
Other payments	4,827,660.24	182,851,466.06	4,827,660.24
Total	34,049,039.62	212,119,240.53	34,049,039.62

75. Income tax expenses**(1) Income tax expenses**

Item	Amount in current period	Amount in previous period
Current income tax expenses	801,668,095.11	872,326,945.02
Deferred tax adjustments	-115,366,245.74	47,923,482.05
Others	927,003.35	1,166.21
Total	687,228,852.72	920,251,593.28

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

76. 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 period			Amount in previous period		
	Amount before tax	Income tax	Net amount after tax	Amount before tax	Income tax	Net amount after tax
I. Other comprehensive income that cannot be reclassified into profit or loss	43,768,392.34	451,518.65	43,316,873.69	-188,409,471.27	12,240,434.40	-200,649,905.67
1. Changes resulting from remeasurement of defined benefit plan net liabilities or net assets						
2. Share in other comprehensive income of the investee that cannot be reclassified to profit or loss under the equity method	-1,069,467.09		-1,069,467.09	-6,183,495.50		-6,183,495.50
3. Changes in the fair value of investments in other equity instruments	44,837,859.43	451,518.65	44,386,340.78	-182,225,975.77	12,240,434.40	-194,466,410.17
4. Changes in the fair value of an enterprise's own credit risk						-
5. Others						
II. Other comprehensive income that will be reclassified to profit or loss in the future	69,001,593.43	19,526,481.66	49,475,111.77	14,840,608.80	2,980,713.68	11,859,895.12
1. Share in other comprehensive income of the investee to be reclassified subsequently to profit or loss under the equity method	3,981,026.38		3,981,026.38	1,950,824.02		1,950,824.02
Less: Those transferred to current profit or loss but previously included in other comprehensive income						
Subtotal	3,981,026.38		3,981,026.38	1,950,824.02		1,950,824.02
2. Changes in the fair value of other debt investments	73,553,064.20	19,195,930.35	54,357,133.85			
Less: Those transferred to current profit or loss but previously included in other comprehensive income						
Subtotal	73,553,064.20	19,195,930.35	54,357,133.85			

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period			Amount in previous period		
	Amount before tax	Income tax	Net amount after tax	Amount before tax	Income tax	Net amount after tax
3. Gain and loss from fair value changes of available-for-sale financial assets (applicable under the old standards) Less: Those transferred to current profit or loss but previously included in other comprehensive income						
Subtotal						
4. Reclassification of financial assets to other comprehensive income Less: Those transferred to current profit or loss but previously included in other comprehensive income						
Subtotal						
5. Gains and losses for held-to-maturity investments that are reclassified into available-for-sale financial assets (applicable under the old standards) Less: Those transferred to current profit or loss but previously included in other comprehensive income						
Subtotal						
6. Provision for credit impairment of other debt investments Less: Those transferred to current profit or loss but previously included in other comprehensive income	7,851,723.85	330,551.31	7,521,172.54			
Subtotal	13,183,558.58		13,183,558.58			
7. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses) Adjustment amount converted into initial recognition amount of hedged item Less: Those transferred to current profit or loss but previously included in other comprehensive income	-5,331,834.73	330,551.31	-5,662,386.04			

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period			Amount in previous period		
	Amount before tax	Income tax	Net amount after tax	Amount before tax	Income tax	Net amount after tax
Subtotal						
8. Translation difference of foreign currency statements	-3,184,738.48		-3,184,738.48	1,783,079.06		1,783,079.06
Less: Those transferred to current profit or loss but previously included in other comprehensive income						
Subtotal	-3,184,738.48		-3,184,738.48	1,783,079.06		1,783,079.06
9. Others	-15,923.94		-15,923.94	11,106,705.72	2,980,713.68	8,125,992.04
Less: Those transferred to current profit or loss but previously transferred to other comprehensive income						
Subtotal	-15,923.94		-15,923.94	11,106,705.72	2,980,713.68	8,125,992.04
III. Total other comprehensive income	112,769,985.77	19,978,000.31	92,791,985.46	-173,568,862.47	15,221,148.08	-188,790,010.55

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

77. Cash flow statement**(1) Supplementary information of cash flow statement**

Item	Amount in current period	Amount in previous period
1. Adjustment from net profits to cash flows from operating activities	—	—
Net profits	821,874,099.41	866,046,665.96
Add: Asset impairment losses	126,772,033.21	67,328,019.91
Credit impairment losses	982,456,991.42	-16,406,366.59
Depreciation of fixed assets, oil and gas assets and productive biological assets	609,873,192.00	524,179,040.57
Depreciation of right-of-use assets	80,327,680.56	27,111,615.52
Amortization of intangible assets	131,725,586.31	75,098,908.73
Amortization of long-term deferred expenses	42,933,374.95	67,368,150.65
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")	-10,342,413.35	-31,195,257.85
Losses on scrap of fixed assets (gains marked with "-")	7,883,650.07	1,059,308.99
Losses on changes in fair value (gains marked with "-")	-557,608,129.50	-161,264,494.71
Financial expenses (gains marked with "-")	4,224,714,349.27	3,785,197,249.47
Investment losses (gains marked with "-")	-2,647,040,554.44	-817,827,121.72
Decrease in deferred tax assets (increase marked with "-")	-263,940,540.36	40,769,647.00
Increase in deferred tax liabilities (decrease marked with "-")	-12,921,931.39	20,591,030.04
Decrease in inventories (increase marked with "-")	-1,575,776,613.40	-1,320,388,372.27
Decrease in operating receivables (increase marked with "-")	-16,926,120,450.12	-26,569,346,639.72
Increase in operating payables (decrease marked with "-")	24,342,605,009.83	22,047,971,999.14
Others		-5,471.01
Net cash flow from operating activities	9,377,415,334.47	-1,393,712,087.89
2. Significant investing and financing activities that do not involve cash receipts and payment	—	—
Transfer of debt to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net change in cash and cash equivalents	—	—
Closing balance of cash	11,481,116,319.88	8,597,485,256.43
Less: Opening balance of cash	8,597,485,256.43	10,809,663,109.68
Add: Closing balance of cash equivalents		

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period	Amount in previous period
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	2,883,631,063.45	-2,212,177,853.25

(2) Cash and cash equivalents

Item	Closing balance	Opening balance
Cash	11,481,116,319.88	8,597,485,256.43
Including: Cash on hand	2,501,886.60	3,177,008.06
Bank deposits readily available for payment	11,038,858,131.55	8,478,834,781.71
Other cash and cash equivalents readily available for payment	54,408,867.83	115,473,466.66
Provision for settlement	385,347,433.90	
Closing balance of cash and cash equivalents	11,481,116,319.88	8,597,485,256.43

78. Foreign currency monetary items

Item	Closing foreign currency balance	Conversion exchange rate	Converted RMB balance at the end of the period
Cash and cash equivalents			116,920,481.10
Including: USD	4,848,888.23	7.0827	34,343,221.37
HKD	85,499,834.27	0.9062	77,481,659.82
SGD	947,630.72	5.3772	5,095,599.91
Accounts receivable			22,380,001.09
Including: USD	3,159,812.09	7.0827	22,380,001.09
Bonds payable			3,200,760,663.75
Including: USD	451,912,500.00	7.0827	3,200,760,663.75

79. Assets with restricted ownership

Item	Closing book value	Reasons for restriction
Cash and cash equivalents	1,486,820,789.30	Note 1
Receivables financing	8,780,000.00	Bank acceptance pledge
Inventories	369,150,987.66	inventory stored in third-party warehouse, third-party warehouse seized
Investment properties	2,739,161,602.14	Bank loan collateral
Fixed assets	810,490,875.68	Bank loan collateral
Intangible assets	410,066,318.86	Bank loan collateral
Construction in progress	677,611,271.63	Bank loan collateral

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Note 1: The reasons for the restriction of cash and cash equivalents are indexed to "Note VIII. 1. (2) Details of Restricted cash and cash equivalents".

IX. Contingencies

1. As of December 31st, 2023, the guarantees are detailed in Note XI.2. (3) Related guarantees
2. Pending litigation, arbitration formation of the Group as of December 31st, 2023

(1) 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. (hereinafter referred to as "Dalian Friendship"). In May 2016, Friendship Group entered into an agreement with Wuhan Credit Investment Group Co., Ltd., a subsidiary of the Group, and Wuhan Kaisheng Economic and Trade Development Co., Ltd. (hereinafter referred to as "Kaisheng Economic and Trade"), whereby Friendship Group transferred 28.06% of the shares in Dalian Friendship to Wuxin Investment Holdings (Shenzhen) Co., Ltd. (hereinafter referred to as "Wuxin Investment Holdings"), a subsidiary established by Wuxin Investment Group and Kaisheng Economic and Trade. 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 Wuhan Credit Investment Group Co., Ltd. and Wuhan Kaisheng Economic and 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) Liaoning 02 Civil First Instance No. 949 of the First Instance, awarding Wuxin Investment Holdings (Shenzhen) Co., Ltd. to pay the outstanding transaction consideration together with the corresponding interest to Friendship Group. In April 2021, the Liaoning High People's Court handed down its second instance judgment, upholding the original verdict.

Wuhan Credit Investment Group Co., Ltd. considered that the content of the above judgment exceeded the original contract agreement and was not based on facts, and that there was infringement of state-owned assets, and that according to the agreement, the period of asset replacement was two years, which in fact exceeded the period of fulfillment. Wuxin Investment Holdings, Investment Group and Kaisheng Economy and Trade submitted a "Petition for Retrial" to the Supreme People's Court and received the "Acceptance Notification" on July 16th, 2021. The case has now been organized for trial in December 2021 and the Supreme People's Court issued a ruling on March 28th, 2022 halting the original execution and appointing the Liaoning Provincial High Court to retry the case.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

In March 2023, the Liaoning Provincial High Court issued a ruling after the hearing, revoking the original first and second-instance judgments and remanding the case to the Dalian City Intermediate Court for retrial. In June 2023, the Dalian Intermediate People's Court organized a retrial session for the first trial, which is still in progress.

(2) Wuhan Xinbaohui Trading Co., Ltd.

Wuhan Xinbaohui Trading Co., Ltd. (hereinafter referred to as "Xinbaohui Company") entered into a loan contract with Huaxia Bank, and Wuhan Credit Risk Management Co., Ltd. (hereinafter referred to as "Credit Risk Company"), a subsidiary of the Group, provided a guarantee for Xinbaohui Company. In addition, companies such as Wuhan Jiang'an Taizi Delicacy Co., Ltd. (hereinafter referred to as "Jiang'an Taizi Company"), Wuhan Donghu Prince Food Co., Ltd. (hereinafter referred to as "Donghu Prince Company") and Wuhan Kang Long Tai Zi Restaurant Co., Ltd. (hereinafter referred to as "Kanglong Taizi Company") provide counter-guarantees and assume joint and several guarantee liability.

Credit Risk Company has settled the debts to Huaxia Bank on behalf of Wuhan Xinbaohui Trading Co., Ltd. and sued the debtor and the counter-guarantee guarantor in court, with a total of RMB 10,193,556.05 demanded to be settled on behalf of the debtor and RMB 100,000 guaranteed fee in 4 cases.

Currently, the case is in litigation proceedings.

(3) Wuhan Donghu Prince Food Co., Ltd.

Donghu Prince Company entered into a loan contract with Bank of Hankou Co., Ltd. Jiang'an Sub-branch and was guaranteed by Credit Risk Company. In addition, companies such as Jiang'an Taizi Company and Kanglong Taizi Company provide counter-guarantees and assume joint and several guarantee liability.

Credit Risk Company has settled the debts to Bank of Hankou Co., Ltd. Jiang'an Sub-branch on behalf of Donghu Prince Company and sued the debtor and the counter-guarantee guarantor in court to settle the substitution amount of RMB 40,536,654.55.

Currently, the case is in litigation proceedings.

(4) Wuhan Construction Prince Food Co., Ltd.

Wuhan Construction Prince Food Co., Ltd. (hereinafter referred to as "Construction Prince Company") has signed a loan contract with China Merchants Bank, and Wuhan Small and Medium Credit Management Co., Ltd., a subsidiary of the Group, provides guarantees for it. In addition, companies such as Jiang'an Taizi Company and Donghu Taizi Company provide

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

counter-guarantees and assume joint and several guarantee liability.

Wuhan Small and Medium Credit Management Co., Ltd. has settled the debts to China Merchants Bank on behalf of Construction Prince Company and sued the debtor and the counter-guarantee guarantor in court to settle the substitution amount of RMB 9,373,226.66 and the guarantee fee of RMB 160,000.

Currently, the case is in first instance proceedings.

- (5) Contractual dispute between Huayuan Securities Co., Ltd. and four investors, including Chen Xiao, Cheng Huixin, Su Erdun and Wang Jianzhi, of the Jiuzhou Additional Issue Phase I Capital Management Plan

On March 15th, 2023, Chen Xiao, Cheng Huixin, Su Erdun and Wang Jianzhi, investors of the Jiuzhou Additional Issue Phase I Capital Management Plan managed by Huayuan Securities Co., Ltd., filed a lawsuit with the Beijing Higher People's Court, requesting that Tongchuangjiuding Investment Management Group Co., Ltd. as well as Huayuan Securities Co., Ltd. be required to pay the loss of the principal amount of the investment as well as interest of RMB 1,386,455, RMB 1,617,530, RMB 2,310,758 and RMB 2,426,296, respectively, totaling RMB 7,741,039. The above cases are in the first instance and, as of the date of this report, no judgment has been rendered in the first instance.

- (6) Contract dispute between Huayuan Securities Co., Ltd. and Xu Wenting

On June 3rd, 2023, Xu Wenyan applied to the Beijing Higher People's Court for a retrial of the case of fraudulent customer liability dispute with Huayuan Securities Co., Ltd., Qin Zhengyu, Cai Lei, Huang Xiaojie, Wu Gang, Tongchuangjiuding Investment Management Group Co., Ltd., Lhasa Kunwu Jiuding Industrial Investment Management Co., Ltd., JD Capital Co., Ltd., Jiutai Fund Sales (Beijing) Co., Ltd. and JT Asset Management Co., Ltd. against the civil ruling No. (2022) Beijing 74 Civil Final 1680 issued by the Beijing Financial Court on November 28th, 2022. Huayuan Securities Co., Ltd. received a notice of response from the Beijing Higher People's Court on July 21st, 2023, and as of the date of this report, no further instruments have been received.

- (7) Contract dispute between a subsidiary, Jiuzheng Futures Co., Ltd., and Su Ai Qin, an investor of Hongsheng Flexible Preferred No. 2 Asset Management Plan

Jiuzheng Futures Co., Ltd. (hereinafter referred to as the "Futures Company") managed by the asset management plan of the Jiuzhou Futures Hongsheng Flexible Preferred No. 2 Asset Management Plan customer Su Ai Qin (hereinafter referred to as the plaintiff) filed a lawsuit to the court, which the first defendant is the Futures Company, the second defendant is China

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Securities Co., Ltd., and the third defendant is Everbright Xinglong Trust Co., Ltd. The plaintiff's lawsuit requests to make the first defendant compensate the plaintiff for the loss of the principal amount of the investment of RMB 20 million and the loss of the benefits that can be obtained after the performance of the contract of RMB 1,675,600, and to order the first defendant to take RMB 20 million as the base amount of the loss of the funds occupation at the rate of 8% per annum from January 18th, 2019, until the date of actual payment. The second and third defendants were ordered to be jointly and severally liable for the foregoing claims. The case was tried on July 12th, 2023, and again on August 24th, 2023, and the first instance court issued a verdict: the Company was adjudged to compensate the Plaintiff Su Aiqin for the investment loss of RMB 6,000,000, and to undertake RMB 26,900,000 for the case acceptance fee. The Futures Company has filed an appeal and the second instance court hearing was held on March 20th, 2024, and as of the date of this financial report, the second instance decision has not yet been received in this case.

Apart from the above contingencies, the Company has no other material contingencies as of December 31st, 2023.

X. Events after the balance sheet date

1. At the third meeting of the ninth session of the Board of Directors of Hangjin Technology Co., Ltd., a subsidiary of the Group, held on March 12th, 2024, the proposal of profit distribution for 2023 was considered and approved. With the total existing share capital of 679,156,000 shares as the base, a cash dividend of RMB 0.50 per 10 shares (tax included) will be distributed to all shareholders, with an estimated cash dividend of RMB 33,957,800; no capital reserve will be transferred and no bonus shares will be sent. The above dividend distribution proposal shall be submitted to the 2023 annual general meeting of Hangjin Technology Co., Ltd. for consideration and approval before implementation.

XI. Related party relationships and transactions

1. Related party relationships

(1) Controlling shareholders and ultimate controlling party

The controlling shareholder and ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Subsidiaries

Name of subsidiaries	Place of registration	Business nature	Registered capital	Shareholding ratio (%)	Voting right (%)
Wuhan Development Investment Co., Ltd.	Wuhan	Investment and development	14,400,000,000.00	100.00	100.00
Wuhan Communications Construction Investment Co., Ltd.	Wuhan	Construction and management of transportation infrastructure projects	353,000,000.00	100.00	100.00
Wuhan State-owned Industry Investment Co., Ltd.	Wuhan	Investment and development	519,198,107.00	100.00	100.00
Wuhan Construction Investment Co., Ltd.	Wuhan	Local construction investment and development	300,000,000.00	100.00	100.00
Wuhan Yangtze River Economy United Development Co., Ltd.	Wuhan	Investment and development	408,858,118.00	93.11	93.11
Wuhan Yangluo Development Co., Ltd.	Wuhan	Investment in development zone construction	555,000,000.00	100.00	100.00
Wuhan Financial Assets Exchange Co., Ltd.	Wuhan	Financial assets trading and consulting	120,000,000.00	75.00	75.00
Wuhan Changjiang Financial Service Co., Ltd.	Wuhan	Financial information and data processing service; Financial software technology development, etc.	300,000,000.00	80.00	80.00
Wuhan Rongwei Escort Security Service Co., Ltd.	Wuhan	Provision of escort and vault guarding services to financial institutions for cash, securities, gold, silver, jewelry and other valuables	260,000,000.00	100.00	100.00
Guotong Trust Co., Ltd.	Wuhan	Fund trusts; trusts for movable property; trusts for immovable property; trusts for marketable securities; trusts for other property or property rights	4,158,374,776.08	75.00	75.00
Wuhan Changjiang Asset Operation Management Co., Ltd.	Wuhan	Various types of asset acquisition, asset disposal and related industrial investment; enterprise and asset trust management, etc.	144,200,000.00	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 of leased property and disposal business, etc.	4,000,000,000.00	49.00	49.00
Wuhan Changjiang International Trade Group Co., Ltd.	Wuhan	Sales of non-metallic minerals and products; sales of chemical products, etc.	8,000,000,000.00	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
Hubei Dinghao Smart Energy Co., Ltd.	Wuhan	Electricity, heat production and supply	100,000,000.00	75.00	75.00

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(3) Joint ventures and associates

For details of joint ventures and associates of the Group, see relevant information in "Note VIII. 18. Long-term equity investments".

(4) Other related parties

Type of related party relationships	Name of related party	Main transaction content
1. Enterprises controlled by the same controlling shareholder and ultimate controlling party		
	Wuhan Shanglian (Group) Co., Ltd.	Related-party transactions
	Wuhan STATE-OWNED Assets Management Limited Company	Related-party transactions
(2) Other related parties	Dalian Friendship (Group) Co., Ltd.	Related-party transactions
	Wuxin Investment Holding (Shenzhen) Co., Ltd.	Related-party transactions
	Wuxin Industrial Development (Shenzhen) Co., Ltd.	Related-party transactions
	Wuhan Guofa Investment Management Group Corporation	Related-party transactions
	Wuhan Sha'ou Food Marketing Co., Ltd.	Related-party transactions
	Wuhan Grain & Oil Storage Management Co., Ltd.	Related-party transactions
	Wuhan Jinhe Rice Industry Co., Ltd.	Related-party transactions
	Wuhan Fuchanghao Fruit Co., Ltd.	Related-party transactions
	Zhang Guoli	Related-party transactions
	Wuhan Zhixuan Investment Co., Ltd.	Related-party transactions
	Wuhan Ayd Furniture Street Co., Ltd.	Related-party transactions
	Wuhan Lianhai Industrial Co., Ltd.	Related-party transactions

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Type of related party relationships	Name of related party	Main transaction content
	Wuhan Haisheng Decoration Design Engineering Co., Ltd.	Related-party transactions
	Huang Jingui	Related-party transactions
	Wuhan Laosanjie Economic and Technological Development Co., Ltd.	Related-party transactions
	Wuhan Xuanding Construction Investment Industrial Co., Ltd.	Related-party transactions
	Wuhan Zhongnan Kitchenware Co., Ltd.	Related-party transactions
	Wuhan Public Investment Co., Ltd.	Related-party transactions
	Wuhan Zhongjin Wanxin Venture Capital Co., Ltd.	Related-party transactions
	Wuhan Xinjiada Trading Co., Ltd.	Related-party transactions
	Hubei Diantong Investment Management Co., Ltd.	Related-party transactions
	Wuhan Cold Storage Logistics Management Co., Ltd.	Related-party transactions
	Jiangsu Qin Qin Group Co., Ltd.	Related-party transactions
	Yangzhou Wanton Food Cold Chain Co., Ltd.	Related-party transactions
	Kunming Wanton Cold Storage Logistics Co., Ltd.	Related-party transactions
	Yuhuan Kailing Machinery Group Co., Ltd.	Related-party transactions
	Dong Xilin	Related-party transactions
	Liang Qiping	Related-party transactions
	Dong Hongxia	Related-party transactions
	Wuhan Jiang'an Huachuang District Microfinance Ltd.	Related-party transactions
	Wuhan Diansheng Real Estate Development Co., Ltd.	Related-party transactions

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

Type of related party relationships	Name of related party	Main transaction content
	Wuhan Longyang Breeding Chuidiao Co., Ltd.	Related-party transactions
	Shenzhen Qianhai Hanying Fund Management Co., Ltd.	Related-party transactions
	Wu Kejun	Related-party transactions
	Wuhan Jiupai Investment Management Co., Ltd.	Related-party transactions
	Wuhan Xinjiada Trading Co., Ltd.	Related-party transactions
	Wuhan Cold Control Equity Investment Fund Partnership	Related-party transactions
	Guoyan	Related-party transactions

2. Related party transactions

(1) Sales of goods and interest income from related parties

Name and type of related party	Transaction content	Incurred in current period	Incurred in previous period
Joint ventures and associates		591,217.65	286,576.16
Wuhan Chengtong Logistics Co., Ltd.	Interest income		264,348.68
Wuhan Jundian Real Estate Co., Ltd.	Interest income		20,895.62
Wuhan Mengxin Technology Co., Ltd.	Property utility bills	446,766.96	
Wuhan Mengxin Technology Co., Ltd.	Sales of goods and provision of services	4,716.98	1,331.86
Wuhan Beidou Industrial Innovation Center Co., Ltd.	Property utility bills	139,733.71	
Other related parties		7,522,308.28	
Wuhan Jinhe Rice Industry Co., Ltd.	Sales of goods	7,522,308.28	
Total	--	8,113,525.93	286,576.16

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Related leases

1) Hangjin Technology Co., Ltd. as Lessor

Name of lessee	Type of leased assets	Lease income recognized in current period	Lease income recognized in prior period
Joint ventures and associates		1,304,061.39	1,181,362.50
Wuhan Mengxin Technology Co., Ltd.	Houses and buildings	939,095.90	822,452.07
Wuhan Beidou Industrial Innovation Center Co., Ltd.	Houses and buildings	364,965.49	358,910.43
Total		1,304,061.39	1,181,362.50

(3) Related guarantees

Guarantor	Guaranteed entity	Total amount guaranteed (RMB 10,000)	Overdue amount	Status of the guaranteed entity
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Development Investment Co., Ltd.	2,555,206.95		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Yangtze River Economy United Development Co., Ltd.	22,000.00		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	271,303.48		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Yangluo Port Services Co., Ltd.	83,530.00		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	643,450.00		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Jinkong NEV Leasing Co., Ltd.	153,269.99		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Wuhan Credit Risk Management Financing Guarantee Co., Ltd.	712,365.48		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Guotong Trust Co., Ltd.	110,000.00		In normal operation
Wuhan Financial Holdings (Group) Co., Ltd.	Hubei Financial Leasing Co., Ltd.	180,000.00		In normal operation

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Guarantor	Guaranteed entity	Total amount guaranteed (RMB 10,000)	Overdue amount	Status of the guaranteed entity
Wuhan Development Investment Co., Ltd.	Wuhan Financial Holdings (Group) Co., Ltd.	100,000.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Credit Risk Management Financing Guarantee Co., Ltd.	260,500.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Electric Power Development Co., Ltd.	22,500.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Changjiang Optical Communication Industry Co., Ltd.	25,500.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Xinneng Industrial Development Co., Ltd.	87,617.00		In normal operation
Wuhan Development Investment Co., Ltd.	Wuhan Finance Leasing Co., Ltd.	79,245.00		In normal operation
Hangjin Technology	Hangjin Chemical	48,835.15		In normal operation
Hangjin Technology	Changsha Shaoguang	13,900.00		In normal operation
Changsha Shaoguang	Hangjin Technology	20,000.00		In normal operation
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Financial Holding Huailiang (Hubei) Grain Logistics Co., Ltd.	25,100.00		In normal operation
Wuhan Jingfa Grain Logistics Industry Investment Co., Ltd.	Wuhan Financial Holdings Modern Supply Chain Management Co., Ltd.	38,000.00		In normal operation
Wuhan Rongwei Escort Security Service Co., Ltd.	Wuhan Rongweitewei Dog Industry Co., Ltd.	500.00		In normal operation
Mr. and Mrs. Lin Haili, Yang Lining	Honglin Microelectronics (Kunshan) Co., Ltd.	2,000,000.00		In normal operation
		2,000,000.00		In normal operation
		4,900,000.00		In normal operation
Mr. and Mrs. Hao Lizhi, Yang Yindi		100,000.00		In normal operation
		1,000,000.00		In normal operation
Tang Chunfeng and Beijing Boyun Lingchuang Technology Center (Limited Partnership)	Wuhan Chaoqing Technology Co., Ltd.	10,000,000.00		In normal operation

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Guarantor	Guaranteed entity	Total amount guaranteed (RMB 10,000)	Overdue amount	Status of the guaranteed entity
Tang Chunfeng	Wuhan Chaoqing Technology Co., Ltd.	10,000,000.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Grain and Oil Reserves Co., Ltd.	3,000.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Youyi Non-Staple Food Commerce Co., Ltd.	10,000.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Foods Stockpile Co., Ltd.	7,500.00		In normal operation
Wuhan Trade State-owned Holding Group Co., Ltd.	Wuhan Changjiang Sha'ou Vegetable Oil Co., Ltd.	6,000.00		In normal operation

3. Related-party balances

(1) Accounts receivable from related parties

Name and type of related party	End of the period		Beginning of the period	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Joint ventures and associates				
Wuhan Industrial Investment Asset Management Co., Ltd.	77,762,392.24	51,416,265.79	130,605,756.24	51,305,272.90
Shenzhen Qianhai Yuehan Asset Management Co., Ltd.	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
Wuhan Economic and Technological Development Zone Industrial Investment Zhizheng Small Loan Co., Ltd.	10,281,944.44	203,956.00	50,000,000.00	852,116.70
Wuhan Mengxin Technology Co., Ltd.	16,617,500.00	1,169,162.40	30,000,000.00	422,868.39
Wuhan Beidou Industrial Innovation Center Co., Ltd.	350,338.02	17,516.90	325,456.69	16,272.83
Other related parties				
Wuhan Jinhe Rice Industry Co., Ltd.	512,609.78	25,630.49	280,299.55	14,014.98
Wuhan Fuchanghao Fruit Co., Ltd.	4,520,457.40		3,352,647.80	
	1,167,809.60			
	3,352,647.80			
Total	82,282,849.64	51,416,265.79	133,958,404.04	51,305,272.90

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Other receivables from related parties

Name and type of related party	End of the period		Beginning of the period	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Joint ventures and associates				
Wuxin Investment Holding (Shenzhen) Co., Ltd.	1,989,072,749.48	1,524,759,460.42	1,977,832,785.89	1,519,681,497.50
Wuhan Jiang'an District Changfa Chengxin Microfinance Co., Ltd.	1,896,162,714.79	1,495,154,386.40	1,896,305,674.79	1,495,154,386.40
Wuhan Sha'ou Food Marketing Co., Ltd.	85,981,666.67	29,605,074.02	75,027,111.10	24,527,111.10
	6,928,368.02		6,500,000.00	
Enterprises controlled by the same controlling shareholder and ultimate controlling party				
Wuhan Shangjian (Group) Co., Ltd.	1,480,264,090.00		1,330,264,090.00	
Wuhan STATE-OWNED Assets Management Limited Company	531,036,300.00		531,036,300.00	
	949,227,790.00		799,227,790.00	
Other related parties	638,417,811.85	1,999,952.59	526,899,273.437	1,999,952.59
Dalian Friendship (Group) Co., Ltd.	272,765,777.78	1,999,952.59	305,061,966.66	1,999,952.59
Wuxin Industrial Development (Shenzhen) Co., Ltd.	4,018,058.81		4,018,058.81	
Wuhan Grain & Oil Storage Management Co., Ltd.	148,933,790.26			
Wuhan Jinhe Rice Industry Co., Ltd.	1,675,037.59			
Wuhan Fuchanghao Fruit Co., Ltd.	32,500.00		32,500.00	
Zhang Guoli			451,862.88	
Wuhan Zhixuan Investment Co., Ltd.	4,465,665.00			
Wuhan Ayd Furniture Street Co., Ltd.	6,651,308.00		6,651,308.00	
Wuhan Lianhai Industrial Co., Ltd.	6,651,308.00		6,651,308.00	
Wuhan Haisheng Decoration Design Engineering Co., Ltd.	4,434,184.00		4,434,184.00	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name and type of related party	End of the period		Beginning of the period	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Huang Jingui	6,207,828.00		6,207,828.00	
Wuhan Laosanjie Economic and Technological Development Co., Ltd.	7,405,066.00		7,405,066.00	
Wuhan Xuanding Construction Investment Industrial Co., Ltd.	4,877,622.00		4,877,622.00	
Wuhan Zhongnan Kitchenware Co., Ltd.	1,463,260.00		1,463,260.00	
Wuhan Public Investment Co., Ltd.	2,605,133.03		16,000,000.00	
Wuhan Zhongjin Wanxin Venture Capital Co., Ltd.			25,000.00	
Wuhan Xinjiada Trading Co., Ltd.			2,450,000.00	
Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd.			10,397,056.10	
Hubei Diantong Investment Management Co., Ltd.	8,268,769.45		8,268,769.45	
Wuhan Cold Storage Logistics Management Co., Ltd.	55,385,134.75		55,385,134.75	
Jiangsu Qin Qin Group Co., Ltd.	10,000,000.00		6,000,000.00	
Yangzhou Wanton Food Cold Chain Co., Ltd.	623,480.74		623,480.74	
Kunming Wanton Cold Storage Logistics Co., Ltd.	303,738.96			
Yuhuan Kailing Machinery Group Co., Ltd.	47,411,490.43		41,589,026.71	
Dong Xilin	30,983,237.25		27,178,278.33	
Liang Qiping	6,776,229.45		6,044,060.89	
Dong Hongxia	6,479,192.35		5,683,502.11	
Total	4,107,754,651.33	1,526,759,413.01	3,834,996,149.32	1,521,681,450.09

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(3) Prepayments from related parties

Name and type of related party	End of the period		Beginning of the period	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Joint ventures and associates				
Liaoning Jinhua Mingyuan Environmental Protection Technology Co., Ltd.	5,722,600.00		7,971,100.00	
Shanghai Xinwen Microelectronics Co., Ltd.	5,722,600.00		5,871,100.00	
Other related parties			2,100,000.00	
Including: Yangzhou Wanton Food Cold Chain Co., Ltd.	1,000,000.00			
	1,000,000.00			
Total	6,722,600.00		7,971,100.00	

(4) Accounts payable of related parties

Name and type of related party	Closing balance	Opening balance
Joint ventures and associates		
Wuhan Beidou Zhenjie Technology Co., Ltd.	72,405.17	116,736.16
Wuhan Mengxin Technology Co., Ltd.	72,405.17	72,405.17
Total	72,405.17	44,330.99
		116,736.16

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(5) Other payables of related parties

	Name and type of related party	Closing balance	Opening balance
Controlling shareholder		53,982,000.00	53,982,000.00
State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government		53,982,000.00	53,982,000.00
Joint ventures and associates		770,000.00	89,204,413.48
Wuhan High-tech Thermal Power Co., Ltd.			201,027.81
Wuhan Yijing Jiangnan Real Estate Co., Ltd.			89,003,385.67
Wuhan Sha'ou Food Marketing Co., Ltd.		750,000.00	
Wuhan Mengxin Technology Co., Ltd.		20,000.00	
Enterprises controlled by the same controlling shareholder and ultimate controlling party		13,150.20	
Wuhan STATE-OWNED Assets Management Limited Company		13,150.20	
Other related parties		2,734,131,236.18	2,703,281,149.62
Wuhan Goodfast Holding Group Ltd.			5,702,654.84
Wuhan Haneagle Real-Estate Development Company Limited			236,005,000.00
Wuhan Jiang'an Huachuang District Microfinance Ltd.		16,000,000.00	16,000,000.00
Wuhan Diansheng Real Estate Development Co., Ltd.		104,088,888.88	104,088,888.88
Wuhan Longyang Breeding Chuidiao Co., Ltd.		1,420,019,028.13	1,313,487,268.85
Shenzhen Qianhai Hanying Fund Management Co., Ltd.		152,033,333.33	
Wuhan Grain & Oil Storage Management Co., Ltd.		3,868,053.66	
Wuhan Jinhe Rice Industry Co., Ltd.		12,710.38	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

	Name and type of related party	Closing balance	Opening balance
Wu Kejun		10,000,000.00	
Wuhan Jiupai Investment Management Co., Ltd.		1,067,407.96	
Wuhan Xinjiada Trading Co., Ltd.			32,852.00
Kunming Wanton Cold Storage Logistics Co., Ltd.		2,247,500.00	
Kunming Baoxiang Wandun Cold Storage Logistics Co., Ltd.			2,518,701.34
Wuhan Cold Control Equity Investment Fund Partnership		994,000,000.00	994,000,000.00
Guoyan		1,200,000.00	1,200,000.00
Wuhan Guanshi Investment Co., Ltd.		29,594,313.84	30,245,783.71
Total		2,788,896,386.38	2,846,467,563.10

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XII. Notes to key items of the financial statements of the parent company

1. Other receivables

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	7,056,425,850.58	6,527,542,760.99
Total	7,056,425,850.58	6,527,542,760.99

(1) Other receivables

1) Disclosure of other receivables by aging

Aging	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 1 year (including 1 year)	4,902,064,235.13	111,368,998.16	6,311,233,609.92	
1-2 years	2,111,212,766.89		264,200,000.00	62,608,695.65
2-3 years	139,800,000.00		395,873.74	
Over 3 years	22,981,284.18	8,263,437.46	22,585,410.44	8,263,437.46
Total	7,176,058,286.20	119,632,435.62	6,598,414,894.10	70,872,133.11

2) Disclosure of other receivables by method of provision for bad debts

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Other receivables for which bad debt provision is made on an individual basis	480,000,000.00	6.69	111,368,998.16	23.20	368,631,001.84
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	6,696,058,286.20	93.31	8,263,437.46	0.12	6,687,794,848.74
Total	7,176,058,286.20	—	119,632,435.62	1.67	7,056,425,850.58

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Expected credit loss ratio (%)	
Other receivables for which bad debt provision is made on an individual basis	604,400,000.00	9.16	62,608,695.65	10.36	541,791,304.35
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	5,994,014,894.10	90.84	8,263,437.46	0.14	5,985,751,456.64
Total	6,598,414,894.10	—	70,872,133.11	1.07	6,527,542,760.99

3) Other receivables with provision for bad debts based on the portfolio of credit risk characteristics

Portfolio name	Closing balance		
	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	18,363,194.36	45.00	8,263,437.46
Portfolio 2 Low-risk portfolio	6,677,695,091.84		
Total	6,696,058,286.20	—	8,263,437.46

(Continued)

Portfolio name	Opening balance		
	Book balance	Accrual ratio (%)	Provision for bad debts
Portfolio 1 Integrated business portfolio	18,363,194.36	45.00	8,263,437.46
Portfolio 2 Low-risk portfolio	5,975,651,699.74		
Total	5,994,014,894.10	—	8,263,437.46

4) Other receivables of the top five closing balances, grouped by party in arrears

Name of debtor	Book balance	As a percentage of total other receivables (%)	Provision for bad debts
Wuhan Development Investment Co., Ltd.	5,554,844,848.75	77.41	
Yulong Group Co., Ltd.	480,000,000.00	6.69	111,368,998.16
Wuhan Changjiang Financial Service Co., Ltd.	291,923,333.33	4.07	
Dalian Friendship (Group) Co., Ltd.	272,765,777.78	3.80	1,999,952.59
Wuhan Yangtze River Economy United Development Co., Ltd.	121,726,000.02	1.70	

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Name of debtor	Book balance	As a percentage of total other receivables (%)	Provision for bad debts
Total	6,721,259,959.88	93.67	113,368,950.75

2. Long-term equity investments**(1) Classification of long-term equity investments**

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Investment in subsidiaries	33,562,562,305.22	3,762,882,074.77		37,325,444,379.99
Investments in joint ventures				
Investments in associates	4,420,918,644.77	64,627,476.87	48,870,197.34	4,436,675,924.30
Subtotal	37,983,480,949.99	3,827,509,551.64	48,870,197.34	41,762,120,304.29
Less: Provision for impairment of long-term equity investments				
Total	37,983,480,949.99	3,827,509,551.64	48,870,197.34	41,762,120,304.29

Wuhan Financial Holdings (Group) Co., Ltd.
Notes to the financial statements
January 1st, 2023 - December 31st, 2023
(Unless indicated otherwise, all amounts are expressed in RMB)

(2) Details of long-term equity investments

Investee	Investment costs	Opening balance	Change for the period							Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment		
I. Subsidiaries											
Wuhan Development Investment Co., Ltd.	36,995,011,667.41	33,562,562,305.22	3,762,882,074.77							37,325,444,379.99	
Wuhan State-owned Industry Investment Co., Ltd.	17,711,439,190.18	15,190,718,826.76	2,520,720,363.42							17,711,439,190.18	
Wuhan Yangtze River Economy United Development Co., Ltd.	541,706,179.38	457,044,468.03	84,661,711.35							541,706,179.38	
Wuhan Communications Construction Investment Co., Ltd.	442,674,255.45	442,674,255.45								442,674,255.45	
Wuhan Construction Investment Co., Ltd.	408,351,937.63	408,351,937.63								408,351,937.63	
Wuhan Changjiang Asset Operation Management Co., Ltd.	320,821,965.54	320,821,965.54								320,821,965.54	
Wuhan Rongwei Escort Security Service Co., Ltd.	202,917,893.25	202,917,893.25								202,917,893.25	
Wuhan Yangluo Development Co., Ltd.	270,643,110.29	270,643,110.29								270,643,110.29	
Guotong Trust Co., Ltd.	553,426,881.58	553,426,881.58								553,426,881.58	
Wuhan Financial Assets Exchange Co., Ltd.	8,852,799,715.00	9,174,763,105.61								9,174,763,105.61	
Wuhan Trade State-owned Holding Group Co., Ltd.	60,000,000.00	60,000,000.00								60,000,000.00	
Wuhan Changjiang Financial Service Co., Ltd.	615,223,216.33	615,223,216.33								615,223,216.33	
Hubei Financial Leasing Co., Ltd.	212,245,515.00	220,714,836.97								220,714,836.97	
	1,470,000,000.00	1,470,000,000.00								1,470,000,000.00	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Investee	Investment costs	Opening balance	Change for the period							Closing balance	Closing balance of impairment provision
			Added investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment		
Wuhan Changjiang International Trade Group Co., Ltd.	5,295,261,807.78	4,175,261,807.78	1,120,000,000.00							5,295,261,807.78	
Hubei Dinghao Smart Energy Co., Ltd.	37,500,000.00		37,500,000.00							37,500,000.00	
II. Associates	2,526,120,776.27	4,420,518,644.77			73,977,216.80	1,008,220.62	-10,357,960.55	48,870,197.34		4,436,675,924.30	
China Eastern Airlines Wuhan Co., Ltd.	847,409,126.97	360,594,875.91			-81,781,619.10	-1,022,031.97				277,791,224.84	
Hankou Bank Co., Ltd.	1,457,984,536.00	3,731,484,180.04			141,559,864.13	1,508,986.26	291,440.62	47,204,499.90		3,827,639,971.15	
Wuhan Yangtze Communications Industry Group Co., Ltd.	130,213,327.22	260,389,808.14			14,540,635.07	519,866.68	-10,649,401.17	1,665,697.44		263,135,209.28	
Wuhan Yangtze LED Lighting Technology Co., Ltd.	50,000,000.00	24,885,376.86			-419,630.75					24,465,746.11	
Y.U.D. Yangtze River Investment Industry Co., Ltd.	40,513,786.08	43,564,403.82			77,969.45	1,399.65				43,643,772.92	
Total	39,521,132,443.68	37,983,480,949.99	3,762,882,074.77		73,977,216.80	1,008,220.62	-10,357,960.55	48,870,197.34		41,762,120,304.29	

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

3. Operating income and operating costs

Item	Amount in current period		Amount in previous period	
	Income	Cost	Income	Cost
(1) Subtotal of main businesses	125,631,769.21		495,466,537.24	
Financial income	125,631,769.21		495,466,537.24	
(2) Subtotal of other businesses	3,351,477.91		3,976,333.47	
Including: Income from rental property fees	1,800,584.40		1,921,396.80	
Other income	1,550,893.51		2,054,936.67	
Total	128,983,247.12		499,442,870.71	

4. Investment income

Source of investment income	Amount in current period	Amount in previous period
Income arising from long-term equity investments under the equity method	73,977,216.80	-45,015,043.00
Investment income on long-term equity investments accounted for under the cost method	25,279,000.00	
Investment income while holding financial assets for trading and other non-current financial assets	18,331,906.91	8,509,481.52
Investment income from disposal of financial assets for trading and other non-current financial assets	34,751.32	2,226,978.56
Investment income from investments in other equity instruments during the holding period	1,251,289,459.69	
Others		8,226.85
Total	1,368,912,334.72	-34,270,356.07

5. Supplementary information of parent company's cash flow statement

Item	Amount in current period	Amount in previous period
1. Adjustment from net profits to cash flows from operating activities	---	---
Net profits	-207,794,033.57	-957,859,793.02
Add: Asset impairment losses		
Impairment loss of credit assets	251,651,131.79	-4,188,969.20
Depreciation of fixed assets, oil and gas assets and productive biological assets	2,169,124.09	2,006,280.02
Depreciation of right-of-use assets		
Amortization of intangible assets	707,964.60	707,964.61
Amortization of long-term deferred expenses		
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")		

Wuhan Financial Holdings (Group) Co., Ltd.**Notes to the financial statements**January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Amount in current period	Amount in previous period
Losses on scrap of fixed assets (gains marked with "-")		
Losses on changes in fair value (gains marked with "-")	-203,504,161.65	-230,053,019.27
Financial expenses (gains marked with "-")	1,487,849,480.65	1,262,677,798.34
Investment losses (gains marked with "-")	-1,368,912,334.72	34,270,356.07
Decrease in deferred tax assets (increase marked with "-")	64,177.50	
Increase in deferred tax liabilities (decrease marked with "-")		
Decrease in inventories (increase marked with "-")		
Decrease in operating receivables (increase marked with "-")	-2,257,426,317.43	-2,129,025,092.16
Increase in operating payables (decrease marked with "-")	2,618,946,981.36	1,664,429,120.03
Others		
Net cash flow from operating activities	323,752,012.62	-357,035,354.58
2. Significant investing and financing activities that do not involve cash receipts and payment	—	—
Transfer of debt to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net change in cash and cash equivalents	—	—
Closing balance of cash	1,291,613,654.48	1,262,992,005.55
Less: Opening balance of cash	1,262,992,005.55	2,908,492,908.51
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	28,621,648.93	-1,645,500,902.96

XIII. Other disclosures required under the relevant financial accounting system

None.

Wuhan Financial Holdings (Group) Co., Ltd.

Notes to the financial statements

January 1st, 2023 - December 31st, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

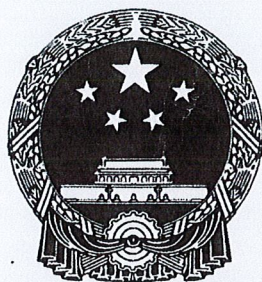
XIV. Approval of financial statements

The Group's financial statements for 2022 have been approved by the Company's Board of Directors.

Wuhan Financial Holdings (Group) Co., Ltd.

April 28th, 2024





营业执照

(副本)

统一社会信用代码 914201110744527472

名称 信永中和会计师事务所（特殊普通合伙）武汉分所

类型 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

成立日期 2013年07月17日

营业期限 长期

经营范围 审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；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。
（依法须经批准的项目，经相关部门批准后方可开展经营活动）



登记机关



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）

2018年12月05日

证书序号: 5000915

说明

- 1、《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。
- 2、《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。
- 3、《会计师事务所分所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、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书》。

再次复印无效



会计师事务所分所 执业证书

名称: 信永中和会计师事务所(特殊普通

合伙) 武汉分所

负责人: 朱清

经营场所: 武汉市洪山区徐东大街137号能源大厦19楼

分所执业证书编号:

110101364201

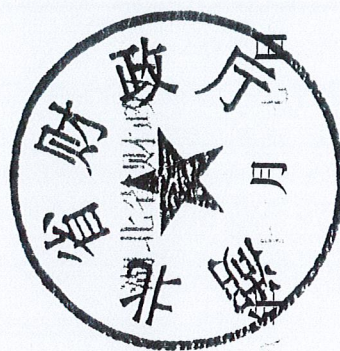
批准执业文号:

鄂财会发(2013)16号

批准执业日期:

2013年7月15日

发证机关:



中华人民共和国财政部制

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.

朱洁 (420101664323)

2020年已通过



月 /m 日 /d

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.

朱洁 (420101664323)

2021年已通过



月 /m 日 /d



朱洁

1968-07-09

信永中和会计师事务所（特
殊普通合伙）武汉分所

420101196807093420



再次复印无效

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.

朱洁 (420101664323)

2019年已通过



月 /m 日 /d

证书编号
No. of Certificate

批准注册协会
Authorized Institute of CPAs

420101664323

湖北省注册会计师协会

发证日期
Date of Issuance

2004 09 10

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.

 胡静 (420000974743) 2020年已通过	
--	---

月 /m
日 /d

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.

 胡静 (420000974743) 2021年已通过	
--	---

月 /m
日 /d



姓名: 胡静
性别: 女
出生日期: 1971-11-26
工作单位: 信永中和会计师事务所(特殊普通合伙) 武汉分所
执业证书编号: 42010519711125364X



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.

 胡静 (420000974743) 2019年已通过	
--	---

月 /m
日 /d

证书编号: 420000974743
No. of Certificate
批准注册协会: 湖北省注册会计师协会
Authorized Institute of CPAs
发证日期: 2006 09 19
Date of Issuance

ISSUER

Wuhan Financial Holdings (Group) Co., Ltd.
(武漢金融控股(集團)有限公司)
21th Floor, Touzi Building
No. 77 Changjiangribao Road
Jiangnan District, Wuhan
Hubei Province China

TRUSTEE

China CITIC Bank International Limited
80/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

PRINCIPAL PAYING AGENT, TRANSFER AGENT AND REGISTRAR

China CITIC Bank International Limited
80/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

LEGAL ADVISERS

To the Issuer as to English law

King & Wood Mallesons
Level 13, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

*To the Joint Lead Managers as to Hong Kong
and English law*

Linklaters
11/F, Alexandra House
Chater Road
Hong Kong

To the Issuer as to PRC law

King & Wood Mallesons
18th Floor, East Tower
World Financial Center
1 Dongsanhuan Zhonglu
Chaoyang District
Beijing 100020
PRC

To the Joint Lead Managers as to PRC law

Zhong Lun Law Firm
57/58/59/F, Tower A, Ping An Finance Centre
5033 Yitian Road, Futian District
Shenzhen
Guangdong 518000
PRC

To the Trustee as to English law

Linklaters
11/F, Alexandra House
Chater Road
Hong Kong

AUDITORS OF THE ISSUER

ShineWing Certified Public Accountants LLP
9/F, Block A
Fu Hua Mansion
No.8 Chaoyangmen North Street
Dongcheng District
Beijing, China

