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

PUBLICATION OF OFFERING CIRCULAR

HONGKONG XIANGYU INVESTMENT CO., LIMITED

(香港象嶼投資有限公司)

(a company incorporated in Hong Kong with limited liability)

*(the “**Issuer**”)*

CNY3,500,000,000 3.15 per cent. Guaranteed Sustainability Notes due 2028

*(the “**Notes**”)*

(Stock Code: 85034)

Unconditionally and Irrevocably Guaranteed by



XMXYG CORPORATION*

(厦門象嶼集團有限公司)

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

*(the “**Guarantor**”)*

** for identification only*

Sole Sustainability Structure Adviser

China CITIC Bank International

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

**China CITIC Bank
International**

**Industrial Bank Co., Ltd. Hong
Kong Branch**

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

Haitong International

**Hua Xia Bank Co., Limited
Hong Kong Branch**

ICBC International

Joint Bookrunners and Joint Lead Managers

**Soochow Securities
(Hong Kong)**

CMBC Capital

ICBC Singapore

BOCOM International

**Bank of
Communications**

**Guotai Junan
International**

CITIC Securities

**China Galaxy
International**

**China Industrial
Securities International**

**Dongxing Securities
(Hong Kong)**

Huatai International

**China International
Capital Corporation**

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 Stock Exchange of Hong Kong Limited dated 15 July 2025 published by the Issuer.

The offering circular dated 8 July 2025 in relation to the issuance of the Notes is appended to this announcement.

By order of the Board of
HONGKONG XIANGYU INVESTMENT CO., LIMITED

Ms. Wang Jianli

Director

Hong Kong, 16 July 2025

As at the date of this announcement, the directors of the Issuer are Ms. WU Huirong, Ms. WANG Jianli and Mr. CHAN Kwok Leung.

As at the date of this announcement, the directors of the Guarantor are Mr. ZHANG Shuili, Mr. XIE Bingqiao, Mr. FANG Hongzhe, Mr. DENG Qidong, Mr. HUANG Quexuan, Mr. HE Fulong, Mr. WANG Qin, Ms. HONG Wenjin, Mr. QU Wenzhou, Mr. HUANG Kunming and Mr. LIN Ruisong.

Appendix – Offering Circular dated 8 July 2025

IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY INTO THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

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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 Securities 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).

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In order to be eligible to view the Offering Circular or make an investment decision with respect to the Securities, investors must be purchasing the Securities outside the United States in an offshore transaction in reliance on Regulation S. By accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to the Issuer, the Guarantor the Joint Lead Managers, the Trustee (as defined in the Offering Circular) or the Agents (as defined in the Offering Circular) or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them (1) that you and any customers you represent are not, and that the e-mail address that you gave the Issuer, the Guarantor and the Joint Lead Managers and to which this e-mail has been delivered is not, located in the United States, its territories or possessions, (2) that you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission, and (3) to the extent you purchase the Securities, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S.

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Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of any of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them to subscribe for or purchase any of the Securities, in any place where offers or solicitations are not permitted by law and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S). If a jurisdiction requires that the offering 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 offering shall be deemed to be made by such Joint Lead Managers or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction. Any Securities to be issued in respect thereof will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the Securities.

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

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HONGKONG XIANGYU INVESTMENT CO., LIMITED

(香港象嶼投資有限公司)

(a company incorporated in Hong Kong with limited liability)

CNY3,500,000,000 3.15 per cent. Guaranteed Sustainability Notes due 2028
unconditionally and irrevocably guaranteed by



XMYG CORPORATION*

(廈門象嶼集團有限公司)

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

Issue Price: 100.00 per cent.

The 3.15 per cent. guaranteed sustainability notes due 2028 (the “Notes”) will be issued in the aggregate principal amount of CNY3,500,000,000 by HONGKONG XIANGYU INVESTMENT CO., LIMITED (香港象嶼投資有限公司) (the “Issuer”) and are in registered form in the specified denominations of CNY1,000,000 each and integral multiples of CNY10,000 in excess thereof. The Notes will be unconditionally and irrevocably guaranteed by XMYG Corporation (廈門象嶼集團有限公司, formerly known as Xiamen Xiangyu Group Corporation) (the “Guarantor” or the “Company”), a company incorporated under the laws of the People's Republic of China. The Issuer is a direct subsidiary of the Guarantor.

The Notes will bear interest on their outstanding principal amount from and including 15 July 2025 (the “Issue Date”) at the rate of 3.15 per cent. per annum, payable semi-annually in arrears on 15 January and 15 July in each year (each, an “Interest Payment Date”), subject as provided in Condition 6 of the terms and conditions of the Notes (the “Terms and Conditions of the Notes”), commencing on 15 January 2026. If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in the Terms and Conditions of the Notes), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day.

The Notes will constitute direct, general, unsubordinated, unconditional and (subject to Condition 3(a) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured, unconditional and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Guarantor will enter into a deed of guarantee dated on or about the Issue Date. The Guarantor will in the Deed of Guarantee unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the “Guarantee of the Notes”) will constitute direct, general, unsubordinated, unconditional and (subject to Condition 3(a) of the Terms and Conditions of the Notes) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured, unconditional and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Guarantor will be required to register or cause to be registered with the State Administration of Foreign Exchange of the PRC (“SAFE”) the Deed of Guarantee within 15 PRC Business Days (as defined in the Terms and Conditions of the Notes) after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) and the Operational Guidelines on the Foreign Exchange Administration of Cross-border Guarantees (跨境擔保外匯管理操作指引) (together, the “SAFE Regulations”) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the “Cross-Border Security Registration”). The Guarantor shall use all its reasonable endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline (being the day falling 120 PRC Business Days after the Issue Date) and comply with all applicable PRC laws and regulations in relation to the Guarantee of the Notes.

Pursuant to the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt 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)) (“Order 56”) issued by the National Development and Reform Commission of the PRC (“NDRC”) and effective as of 10 February 2023, the Guarantor has registered the issuance of the Notes with the NDRC and obtained the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises dated 28 March 2025 from the NDRC, evidencing such registration and which remains in full force and effect. The Guarantor will be required to file or cause to be filed with the NDRC the requisite information and documents within the prescribed timeframe after the Issue Date in accordance with Order 56 and any implementation rules, reports, certificates, approvals or guidance as issued by NDRC from time to time and shall comply with all applicable PRC laws and regulations in connection with the Notes.

The PRC government is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes or the Guarantee of 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)) (the “Circular 23”) 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) (the “Circular 706”) 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) (“Circular 666”) promulgated on 6 June 2019.

All payments of principal, premium (if any) and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without set-off or counterclaim or without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hong Kong or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. See “Terms and Conditions of the Notes – Taxation”. Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to, 15 July 2028, subject as provided in Condition 6 of the Terms and Conditions of the Notes. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, at their principal amount, together with interest accrued to (but not including) the date fixed for redemption, in the event of certain changes affecting taxes of Hong Kong or the PRC. See “Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Tax Reasons”. At any time following the occurrence of a Change of Control or a Non-Registration Event (each as defined in the Terms and Conditions of the Notes), each Noteholder (as defined in the Terms and Conditions of the Notes) will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount (in the case of a Change of Control) or 100 per cent. of their principal amount (in the case of a Non-Registration Event), in each case together with accrued interest to (but not including) such Put Settlement Date. See “Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Relevant Event”.

The Notes are being issued as “sustainability notes” under the Sustainability Finance Framework of the Group. See the section entitled “Sustainability Finance Framework”.

Investing in the Notes involves risks. See the section entitled “Risk Factors” beginning on page 19 for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes and the Guarantee of 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 state of the United States or other jurisdiction and no such securities may be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. The offering is made solely in offshore transactions pursuant to Regulation S (“Regulation S”) under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Notes and the Guarantee of the Notes and the distribution of this Offering Circular, see the section entitled “Subscription and Sale”.

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 and such permission is expected to become effective on or about 16 July 2025. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm 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 and the Guarantor confirm 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 document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. 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, the Guarantor, the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, 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 document.

Upon issue, the Notes will be evidenced by a global note certificate (the “Global Note Certificate”), which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator (the “Operator”) of the Central Money Markets Unit Service (the “CMU”). Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in the Global Note Certificate, individual certificates for Notes (each, a “Note Certificate”) will not be issued in exchange for interests in the Global Note Certificate. For any person seeking to hold a beneficial interest in the Notes through Euroclear Bank SA/NV (“Euroclear”) or Clearstream Banking S.A. (“Clearstream”), such person will hold such interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU operator. The Notes are not issuable in bearer form.

The Notes are expected to be rated “A₊” by China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) and “A-” by Lianhe Ratings Global Limited (“Lianhe Global”). The Guarantor has been assigned “A₊” long term credit rating with Positive Outlook by CCXAP and “A-” global scale long-term issuer credit rating with Positive Outlook by Lianhe Global. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, qualification, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, qualification, suspension, reduction or withdrawal of any rating assigned to the Notes or the Guarantor may adversely affect the market price of the Notes. The significance of each rating should be analysed independently from any other rating.

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CITIC Securities

China Galaxy International

**China Industrial
Securities International**

**Dongxing Securities
(Hong Kong)**

Huatai International

**China International
Capital Corporation**

Offering Circular dated 8 July 2025

* for identification only

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IMPORTANT NOTICE

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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, the Guarantor and the subsidiaries of the Guarantor taken as a whole (collectively, the “**Group**”). Each of the Issuer and the Guarantor 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.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor, the Group, the Notes and the Guarantee of the Notes which is material in the context of the issue, offering, sale, marketing or distribution of the Notes and the giving of the Guarantee of the Notes (including all information which is required by all applicable laws or, according to the particular nature of the Issuer, the Guarantor and the Group and of the Notes and the Guarantee of 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, the Guarantor and the Group, and of the rights attaching to the Notes), (ii) this Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iii) the statements of fact contained in this Offering Circular are, in every material respect, true and accurate and not misleading, (iv) the statements of intention, opinion, belief or expectation contained in this Offering Circular are honestly and reasonably made or held and have been reached after considering all relevant circumstances and based on reasonable assumptions, (v) all reasonable enquiries have been and will be made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements, and (vi) all statistical, industry and market related data included in this Offering Circular was accurately extracted from publicly available and reliable sources.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Notes described in this Offering Circular. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, China CITIC Bank International Limited, Industrial Bank Co., Ltd. Hong Kong Branch, China Zheshang Bank Co., Ltd. (Hong Kong Branch), Haitong International Securities Company Limited, Hua Xia Bank Co., Limited Hong Kong Branch, ICBC International Securities Limited, Soochow Securities International Brokerage Limited, CMBC Securities Company Limited, Industrial and Commercial Bank of China Limited, Singapore Branch, BOCOM International Securities Limited, Bank of Communications Co., Ltd. Hong Kong Branch, Guotai Junan Securities (Hong Kong) Limited, CLSA Limited, China Galaxy

International Securities (Hong Kong) Co., Limited, China Industrial Securities International Brokerage Limited, Dongxing Securities (Hong Kong) Company Limited, Huatai Financial Holdings (Hong Kong) Limited and China International Capital Corporation Hong Kong Securities Limited (together, the “**Joint Lead Managers**”), the Trustee and the Agents (as defined in the Terms and Conditions of the Notes) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Notes in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and the distribution of this Offering Circular, see the section entitled “*Subscription and Sale*”. This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful. By purchasing the Notes, investors represent and agree to all those provisions contained in that section of this Offering Circular.

No person has been or is authorised in connection with the issue, offer or sale of the Notes to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Notes or the Guarantee of the Notes, other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents 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, the Guarantor or the Group, or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents 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.

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Notes. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer, the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Notes offered by this Offering Circular is prohibited. Each offeree of the Notes, by accepting delivery of this Offering Circular, agrees to the foregoing.

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).*

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” (together, the “CMIIs”) 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 CMIIs, which require the attention and cooperation of prospective investors. Certain CMIIs may also be acting as “overall coordinators” (together, 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, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (an “**Association**”) with the Issuer, the Guarantor, the relevant CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including any of its group companies) should specifically disclose this (and such CMI and the Joint Lead Managers may be required to pass such information to the Issuer and the Guarantor and certain other CMIIs) 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 CMIIs). 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 CMIIs 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 CMIIs (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, the Guarantor, 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.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (THE “STABILISATION MANAGER”) OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER, PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT BE APPOINTED OR ACTING AS THE STABILISATION MANAGER, MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND DIRECTIVES, OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE 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 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 PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents 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 or any other information supplied in connection with the Notes or the Guarantee of the Notes and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them. The Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them have not independently verified any of the information

contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them accepts any responsibility for the contents of this Offering Circular or any statement made or purported to be made by any such person or on its behalf in connection with the Issuer, the Guarantor, the Group, the issue and offering of the Notes or the giving of the Guarantee of the Notes. Each of the Joint Lead Managers, the Trustee, the Agents and their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Group for so long as the Notes remain outstanding nor to advise any investor or prospective investor of the Notes of any information coming to the attention of any of the Joint Lead Managers, the Trustee, the Agents or their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them.

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, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them that any recipient of this Offering Circular should purchase the Notes. Each prospective 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 advisers as it deems necessary.

The Joint Lead Managers and their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or the Guarantor or 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 purchasers of the Notes). Furthermore, investors in the Notes may include entities affiliated with the Group.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser. The Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them are not making any representation to any purchaser of the Notes regarding the legality of any investment in the Notes by such purchaser under any legal investment or similar laws or regulations.

The contents of this Offering Circular should not be construed as providing legal, business, accounting or investment advice. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents 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.

All non-company specific statistics and data relating to the Group's industry or the economies of pertinent jurisdictions, such as the PRC, have been extracted or derived from publicly available information and various government sources. Each of the Issuer and the Guarantor believes that the sources of this information are appropriate for such information and each of the Issuer and the Guarantor has taken reasonable care in extracting and reproducing such information. Neither the Issuer nor the Guarantor has reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, this information has not been independently verified by the Issuer, the Guarantor or the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them make any representation as to the correctness, accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

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

This Offering Circular is prepared using a number of conventions, which should be considered when reading the information contained herein. When using the terms the “**Guarantor**”, the “**Company**”, the “**Group**” and words of similar import, XMXYG Corporation (厦門象嶼集團有限公司) itself, or XMXYG Corporation (厦門象嶼集團有限公司) and its consolidated subsidiaries, is/are being referred to, as the context requires. When using the term the “**Issuer**”, HONGKONG XIANGYU INVESTMENT CO., LIMITED (香港象嶼投資有限公司), a wholly-owned subsidiary of the Guarantor, is being referred to.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “**China**” or the “**PRC**” are to the People’s Republic of China (for the purpose of this Offering Circular only, excluding Hong Kong, Macao and Taiwan), references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the PRC, references to “**Macao**” are to the Macao Special Administrative Region of the PRC, references to the “**United States**” and “**U.S.**” are to the United States of America, references to “**CNY**”, “**Renminbi**” or “**RMB**” are to the lawful currency of the PRC and references to “**U.S. dollars**”, “**U.S.\$**” or “**USD**” are to the lawful currency of the United States.

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

- “**GFA**” are to gross floor area;
- “**mu**” are to a standard unit of area for land in China (1 mu = 0.6666 hectares or 0.1647 acres);
- “**NDRC**” are to the National Development and Reform Commission of the PRC;
- “**PBOC**” are to the People’s Bank of China, the central bank of the PRC;
- the “**PRC government**” are to the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or where the context requires, any of them;
- “**sq.m.**” are to square metres; and
- “**Xiamen SASAC**” means State-owned Assets Supervision and Administration Commission of Xiamen Government (廈門市人民政府國有資產監督管理委員會).

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

PRESENTATION OF FINANCIAL INFORMATION

Financial Information of the Issuer

The Issuer’s financial information as at and for the years ended 31 December 2022 and 2023 included in this Offering Circular have been extracted from the audited financial statements of the Issuer as at and for the year ended 31 December 2023 (the “**2023 Issuer Audited Financial Statements**”) and the Issuer’s financial information as at and for the year ended 31 December 2024 included in this Offering Circular have been extracted from the audited financial statements of the Issuer as at and for the year ended 31 December 2024 (the “**2024 Issuer Audited Financial Statements**”, together with the 2023 Issuer Audited Financial Statements, the “**Issuer Audited Financial Statements**”). The Issuer Audited Financial Statements have been audited by Deloitte Touche Tohmatsu (“**Deloitte**”), and are included elsewhere in this Offering

Circular together with the respective auditor's report in respect of the respective financial statements. The Issuer Audited Financial Statements have been prepared by the Issuer in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”).

The financial information contained in this Offering Circular, including the Issuer Audited Financial Statements, does not constitute the specified financial statements (as defined in the Companies Ordinance (Cap. 622) of Hong Kong (the “CO”)) in relation to the Issuer. The Issuer has delivered its specified financial statements for the years ended 31 December 2022, 2023 and 2024, which are prepared in accordance with the Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants, to the Registrar of Companies of Hong Kong. Smart Team CPA Limited, PricewaterhouseCoopers and Deloitte, as the respective auditors of the Issuer for the years ended 31 December 2022, 2023 and 2024, respectively, have issued the corresponding auditor's report on the specified financial statements in relation to the Issuer for the financial years ended 31 December 2022, 2023 and 2024, respectively. Such reports were not qualified or otherwise modified, did not refer to any matters to which the auditors drew attention by way of emphasis without qualifying the reports and did not contain any statement under Sections 406(2) or 407(2) or (3) of the CO.

Financial information of the Guarantor

The Guarantor's consolidated financial information as at and for the years ended 31 December 2022, 2023 and 2024 included in this Offering Circular have been extracted from the audited consolidated financial statements of the Guarantor and its consolidated subsidiaries (the “**Guarantor Group**”) as at and for the year ended 31 December 2023 (the “**2023 Guarantor Audited Financial Statements**”) and as at and for the year ended 31 December 2024 (the “**2024 Guarantor Audited Financial Statements**”, and together with the 2023 Guarantor Audited Financial Statements, the “**Guarantor Audited Financial Statements**”) audited by RSM China CPA LLP (容誠會計師事務所(特殊普通合伙)) (“**RSM China**”), the English translation of which is included elsewhere in this Offering Circular together with the auditor's reports in respect of such financial statements. The Guarantor Audited Financial Statements have been prepared in accordance with the Accounting and Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC (“**MOF**”) on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (together the “**PRC Accounting Standards**”).

The Guarantor Audited Financial Statements have been prepared in Chinese and the Guarantor has prepared English translations of the Guarantor Audited Financial Statements as set out elsewhere in this Offering Circular (the “**Financial Statements Translation**”). None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them has independently verified or checked the accuracy of the Financial Statements Translation and gives no assurance that the information contained in the Financial Statements Translation is accurate, truthful or complete. Prospective investors must exercise caution when they use such financial information to evaluate the Group's financial condition, results of operations and cash flows. The Guarantor Audited Financial Statements are available on the website of www.chinamoney.com.cn, which is managed by China Foreign Exchange Trade System, an institution under the purview of the PBOC.

Pursuant to the relevant regulatory requirements in the PRC, the Guarantor is obliged to announce the Group's balance sheets, income statements and statements of cashflow which are solely in the language of Chinese (collectively, the “**Group Chinese Financials**”) on a quarterly basis on the website of www.chinamoney.com.cn. The Group Chinese Financials published from time to time subsequent to the date of this Offering Circular are not incorporated by reference in and do not form a part of this Offering Circular. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to, the Group Chinese Financials.

On 30 November 2022, the MOF issued the Interpretation of Accounting Standards for Business Enterprises No. 16 (Cai Kuai [2022] No.31) (“**Interpretation No. 16**”), in which the provision of “accounting treatment of deferred tax related to assets and liabilities arising from a single transaction that does not apply the initial recognition exemption” shall be implemented as of 1 January 2023. Accordingly, the Guarantor applied the provision of Interpretation No. 16 on 1 January 2023, thereby adjusting the related items in the financial statements for single transactions applicable to Interpretation No. 16 which occurred between 1 January 2022 and 1 January 2023. In addition, for the taxable and deductible temporary differences arising from the recognition of lease liabilities and right-of-use assets and the recognition of estimated liabilities and the corresponding assets from decommissioning obligations in a single transaction applicable to Interpretation No. 16 as at 1 January 2022, the Guarantor recognised the cumulative effect as an adjustment to retained earning and other related financial statement items as at 1 January 2022 in accordance with Interpretation No. 16 and “Accounting Standard for Business Enterprises No. 18 – Income Tax”. The Guarantor has restated certain relevant line items in the consolidated comparative financial statements for the year ended 31 December 2022.

On 25 October 2023, the MOF issued the Interpretation of Accounting Standards for Business Enterprises No. 17 (Cai Kuai [2023] No.21) (“**Interpretation No. 17**”), which was effective from and adopted by the Guarantor since 1 January 2024. While there are not any significant impacts of Interpretation No. 17 on the consolidated financial statements of the Guarantor from 1 January 2024 and to 31 December 2024, Note 8.69 to the 2024 Guarantor Audited Financial Statements has disclosed relevant information in relation to the supplier financing arrangements for the year ended 31 December 2024 in accordance with the requirements of Interpretation No. 17.

The Compilation 2024 of Application Guidance for Enterprise Accounting Standards issued by the MOF in March 2024 and the Interpretation of Accounting Standards for Business Enterprises No. 18 (Cai Kuai [2024] No.24) (“**Interpretation No. 18**”) on 6 December 2024 require that expenses in relation to assurance-type warranties be recognised in costs of sales. The Guarantor has adopted these provisions from 2024, recognising expenses related to assurance-type warranties in costs of sales. The cumulative impact on retained earnings at the beginning of the earliest period presented is zero. The Guarantor has restated certain relevant line items in the consolidated comparative financial statements for the year ended 31 December 2023.

The Guarantor has not prepared the Guarantor Audited Financial Statements in accordance with IFRS. The PRC Accounting Standards differ in certain material respects from IFRS. For a discussion of certain differences between the PRC Accounting Standards and IFRS, see the section entitled “*Description of Certain Material Differences between PRC Accounting Standards and IFRS*”.

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.

FORWARD-LOOKING STATEMENTS

The Issuer and the Guarantor have made forward-looking statements in this Offering Circular regarding, among other things, the Group's financial condition, future expansion plans and business strategies. These forward-looking statements are based on the Group's current expectations about future events. Although the Issuer and the Guarantor believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- the risks associated with the Group's business activities;
- general economic and political conditions, including those related to the PRC;
- accidents and natural disasters;
- changes in laws, regulations, taxation or accounting standards or practices;
- the risks of increased costs and the uncertainty of technological change;
- the ability to implement the Group's business strategy and plan of operation;
- the ability to expand and manage the growth of the Group;
- fluctuations in foreign currency exchange rates; and
- other risks identified in the section entitled "*Risk Factors*" of this Offering Circular.

The words "aim", "anticipate", "believe", "can", "could", "estimate", "expect", "intend", "may", "plan", "will", "would" and similar expressions are intended to identify a number of these forward-looking statements. The Issuer, the Guarantor and any other members of the Group undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the actual results of the Issuer, the Guarantor or the Group could differ materially from those anticipated in these forward-looking statements. Accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.

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

SUMMARY

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

THE ISSUER

The Issuer, HONGKONG XIANGYU INVESTMENT CO., LIMITED (香港象嶼投資有限公司), was incorporated in Hong Kong on 28 April 2010 as a company with limited liability under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (company number: 1449969). The Issuer is a wholly-owned subsidiary of the Guarantor. The registered office of the Issuer is located at Room 4510, 45/F, China Resources Building, 26 Harbour Road, Wan Chai District, Hong Kong.

THE GROUP

Established in November 1995 under the Xiamen SAS AC, the Guarantor has been the first pilot state-owned enterprise adopting an asset and operation integration business model in Xiamen and one of the first batch of units which has undergone the state-owned capital investment company reform pilot scheme. It is one of the largest state-owned enterprises in Xiamen and a leading enterprise in the Xiamen Area of China (Fujian) Pilot Free Trade Zone (中國(福建)自由貿易試驗區廈門片區), as well as the development and operation platform of Xiamen Xiangyu Free Trade Zone (廈門象嶼保稅區), Xiamen Modern Logistics Park (廈門現代物流園區) and Xiamen Dadeng-to-Taiwan Small Commodity Trading Market (廈門大嶼對台小額商品交易市場). Over years of growth, the Group has developed into a vast conglomerate with its businesses including (i) commodity supply chains service, (ii) urban development and operation, (iii) integrated financial services and (iv) other businesses.

Over the years, the Group has achieved a number of notable achievements. In 2024, the Group ranked 101th on the list of Top 500 Most Valuable Chinese Brands (500最具價值中國品牌) by GY Brand (全球品牌研究院), 187th on the list of Fortune Global 500 Enterprises (世界500強) by Fortune (財富), 54th on the list of China Top 500 Enterprises (中國企業500強) and 26th on the list of China Top 500 Enterprises in the Servicing Industry (中國服務業企業500強) by China Enterprises Union (中國企業聯合會). In addition, the Group has been awarded, among others, National “Double Hundred Enterprise” Excellence Grade (全國「國企改革雙百企業」優秀等級), National May Day Labour Medal (全國五一勞動獎狀), National Enterprise of Abiding by Contract and Being Trustworthy (全國守合同重信用單位), National Model Enterprise of Harmonious Labour Relation (全國模範勞動關係和諧企業), National Advanced Unit of Internal Audit (全國內部審計先進單位), National Enterprise Management Modernisation Innovation Achievement First Prize (全國企業管理現代化創新成果一等獎), National Enterprise Cultural Excellence First Prize (全國企業文化優秀成果一等獎), Leading Enterprise on Golden Bee Corporate Social Responsibility List of China (金蜜蜂企業社會責任中國榜「領袖型企業」),

China's Foreign Trade Credit AAA Enterprise (中國對外貿易信用AAA級企業), National Advanced Enterprise for the High Quality and Benefit of Foreign Trade (全國外經貿質量效益先進型企業), National Advanced Unit for Enterprise Information Work (全國企業資訊工作先進單位) and Green Channel Enterprise for Custom Price Verification (海關審價綠色通道企業). See also "*Description of the Group – Ranking and Awards*".

For the years ended 31 December 2022, 2023 and 2024, the Group's operating revenue was approximately RMB563 billion, RMB490 billion and RMB416 billion, respectively, and the Group's operating profit was RMB6,360 million, RMB1,134 million and RMB2,283 million, respectively. The Group's net profit for the years ended 31 December 2022, 2023 and 2024 was RMB4,841 million, RMB995 million and RMB1,257 million, respectively. From 1995, being the year of the Guarantor's establishment, to 2024, the Group recorded average annual growth rate of approximately 23 per cent., 11 per cent., 27 per cent. and 14 per cent. for the Group's total assets, net assets, operating revenue and net profit, respectively. For the year ended 31 December 2024, the Group contributed approximately RMB26,700 million to the tax income of China.

COMPETITIVE STRENGTH

The Group believes that its competitive strengths outlined below distinguish it from its competitors and are important to its success and future development:

- an important state-owned investment group with regional significance;
- strong government support, good resources integration ability and close relationship with Xiamen SASAC;
- longstanding experiences and presence in the supply chain industry;
- prudent risk control system to ensure the safe operation of assets;
- robust capital structure;
- access to multiple and diversified financing channels;
- sound corporate governance structure; and
- experienced senior management team executing business development strategies.

BUSINESS STRATEGIES

With the corporation mission of “benefitting the world and achieving success together”, the Group intends to become a globally-competitive comprehensive investment holding group focused on commodity supply chain during the period of its 6th “Five-year Plan”. Specifically, the Group plans to focus on the following strategies:

- continuing to focus on its core businesses of commodity supply chains, urban development and operation, integrated financial services, port and shipping and innovation incubation;
- continuing to deepen its reform;
- continuing to optimise the Group’s management mechanism and management efficiency; and
- continuing to fulfil corporate social responsibility and promote national development strategies.

RECENT DEVELOPMENT

Issuance of medium-term notes in the domestic capital market in the PRC

The Guarantor plans to issue medium-term notes in the domestic capital market in the PRC in mid-July 2025, with an aggregate principal amount of not more than CNY3 billion.

Financial information as at and for the three months ended 31 March 2025

On 30 April 2025, the Company published unaudited and unreviewed consolidated financial statements as of and for the three months ended 31 March 2025 (“**First Quarter Financial Information**”) on the website of China Foreign Exchange Trade System & National Interbank Funding Centre.

As at 31 March 2025, as compared to the balance as at 31 December 2024, the Group recorded decreases in monetary funds, derivative financial assets, notes receivable, accounts receivable, contract assets, non-current assets maturing within one year and other comprehensive income. Conversely, the Group recorded increases in short-term borrowings, derivative financial liabilities, notes payable, other current liabilities, long-term borrowings, bonds payable, long-term payables, estimated liabilities and total non-current liabilities. Specifically, the Group’s derivative financial assets decreased primarily due to the decline in fair value gains on hedging contracts; the Group’s notes receivable decreased primarily due to the increase of the cash collection; the Group’s other comprehensive income decreased primarily due to the increase in losses on the effective portion of cash flow hedging contracts; the Group’s other current liabilities increased primarily due to the increase in ultra short-term notes payable; and the Group’s estimated liabilities increased primarily due to the provision for loss-making contracts. In terms of the increase in the long-term payables, the Group has confirmed that combining the change of long-term payables due within one year, there is not any significant change in the long-term payables as a whole.

For the three months ended 31 March 2025, as compared to the corresponding period in 2024, the Group recorded decreases on interest income, investment income from associates and joint ventures, other comprehensive income for the year after tax, net cash flow from financing activities, cash and cash equivalents at the beginning of the period. Conversely, the Group recorded increases on taxes and surcharges, finance costs, income tax expenses, net cash outflows from operating activities and net cash outflows from investing activities. Specifically, the Group's interest income decreased primarily due to the declining market interest rates; the Group's investment income from associates and joint ventures decreased primarily due to the reduced earnings from investments in associates; the Group's other comprehensive income for the year after tax decreased primarily due to the increase in losses in the effective portion of cash flow hedging contracts; the Group's net cash flow from financing activities decreased primarily due to the decline in average financing scale; the Group's cash and cash equivalents decreased primarily due to the higher cash payments for debt repayment compared to the same period last year; the Group's taxes and surcharges increased primarily due to the increased real estate deliveries; the Group's income tax expenses increased primarily due to the profit growth driven by increased real estate deliveries; the Group's net cash outflow from operating activities increased primarily due to the investment in the Golden Elephant business segment; and the Group's net cash outflow from investing activities increased primarily due to the increase in the purchase of financial products.

The Group has confirmed that save for the line items specifically accounted for, the changes in trend in the aforementioned line items occurred in the ordinary course of business and do not have any material adverse effect.

No audit or review has been performed on the First Quarter Financial Information by the Group's independent auditors, or any other independent auditors, and therefore the First Quarter Financial Information should not be relied upon by prospective investors to provide the same quality of information associated with information that has been subject to an audit or review. Such financial information within the First Quarter Financial Information may change if it is subject to an audit or a review. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to the First Quarter Financial Information. The First Quarter Financial Information of the Guarantor as at and for the three months ended 31 March 2025 is not indicative of the financial condition or results of operations of the Group for any period of a year or any full year. The First Quarter Financial Information does not form part of this Offering Circular and should not be referred to or relied upon by prospective investors. Prospective investors must exercise extensive caution when using such information to evaluate the Group's financial condition or results of operations. See "*Risk Factors – Risks relating to the Group and its Business – The Group has published and may continue to publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular*".

Strategic cooperation with quality investors

Pursuant to two strategic cooperation agreements entered into by Xiamen Xiangyu Co., Ltd. (廈門象嶼股份有限公司) (600057.SH) (“**Xiamen Xiangyu**”) with China Merchants Group Co., Ltd. (招商局集團有限公司) and Shandong Port Group Co., Ltd. (山東省港口集團有限公司) respectively, the Group has introduced China Merchants Group Co., Ltd. and Shandong Port Group Co., Ltd. as strategic investors to invest in the equity interest of Xiamen Xiangyu.

The cooperation pact seeks to fulfil national strategies by strengthening the independence of the domestic supply chain and providing integrated service as part of the “Belt and Road” initiative. The Group is expected to benefit from economies of scale and synergy with the strategic investors following the strategic cooperation.

SUMMARY OF THE OFFERING

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

Issuer	HONGKONG XIANGYU INVESTMENT CO., LIMITED (香港象嶼投資有限公司).
Guarantor	XMXYG Corporation (厦門象嶼集團有限公司).
Notes	CNY3,500,000,000 3.15 per cent. Guaranteed Sustainability Notes due 2028.
Guarantee of the Notes	The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes.
Issue Price	100.00 per cent.
Form and Specified Denomination	The Notes will be issued in registered form in the specified denominations of CNY1,000,000 and in integral multiples of CNY10,000 in excess thereof.
Interest	The Notes will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.15 per cent. per annum, payable semi-annually in arrears on 15 January and 15 July in each year (each, an “ Interest Payment Date ”), subject as provided in Condition 6 of the Terms and Conditions of the Notes, commencing on 15 January 2026. If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4 of the Terms and Conditions of the Notes), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day.
Issue Date	15 July 2025.
Maturity Date	The Interest Payment Date falling on, or nearest to, 15 July 2028, subject as provided in Condition 6 of the Terms and Conditions of the Notes.

Status of the Notes	The Notes will constitute direct, general, unsubordinated, unconditional and (subject to Condition 3(a) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured, unconditional and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Guarantee of the Notes	The Guarantee of the Notes will constitute direct, general, unsubordinated, unconditional and (subject to Condition 3(a) of the Terms and Conditions of the Notes) unsecured obligations of the Guarantor which will at all times rank at least <i>pari passu</i> with all other present and future unsecured, unconditional and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	The Notes will contain a negative pledge provision as further described in Condition 3(a) of the Terms and Conditions of the Notes.
Redemption at Maturity	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to, 15 July 2028, subject as provided in Condition 6 of the Terms and Conditions of the Notes.
Taxation	All payments of principal, premium (if any) and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without set-off or counterclaim or without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hong Kong or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

Where such withholding or deduction is made by the Issuer or the Guarantor by or within the PRC up to the rate applicable on 8 July 2025 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.

In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate or (ii) by or within Hong Kong, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in the circumstances set out in Condition 7 of the Terms and Conditions of the Notes.

Redemption for Tax Reasons The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes (which notice shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued to (but not including) the date fixed for redemption, in the event of certain changes affecting taxes of Hong Kong or the PRC, as further described in “*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Tax Reasons*”.

Redemption for Relevant Event At any time following the occurrence of a Change of Control or a Non-Registration Event, each Noteholder will have the right, at such Noteholder’s option, to require the Issuer to redeem all but not some only of that Noteholder’s Notes on the Put Settlement Date at 101 per cent. of their principal amount (in the case of a Change of Control) or 100 per cent. of their principal amount (in the case of a Non-Registration Event), in each case together with accrued interest to (but not including such Put Settlement Date. See “*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Relevant Event*”.

Events of Default	Upon the occurrence of certain events as described in Condition 8 of the Terms and Conditions of the Notes, the Trustee at its discretion may, and if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction), give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued and unpaid interest without further action or formality.
Cross-acceleration	The Notes will contain a cross-acceleration provision as further described in Condition 8(c) of the Terms and Conditions of the Notes.
Clearing Systems	Upon issue, the Notes will be evidenced by the Global Note Certificate, which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator of the CMU. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in the Global Note Certificate, individual Note Certificates will not be issued in exchange for interests in the Global Note Certificate. For any person seeking to hold a beneficial interest in the Notes through Euroclear or Clearstream, such person will hold such interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU operator. The Notes are not issuable in bearer form.
Clearance and Settlement	<p>The Notes have been accepted for clearance by the CMU under the following codes:</p> <p>CMU Instrument Number: KWHKFN25028.</p> <p>ISIN: HK0001166930.</p> <p>Common Code: 311399055.</p>

Notice	So long as the Notes are evidenced by the Global Note Certificate and the Global Note Certificate is held by or on behalf of the Operator, any notice to the Holders of the Notes may be validly given by the delivery of the relevant notice to the CMU and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interests in the Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.
Payment	So long as any of the Notes are evidenced by the Global Note Certificate and the Global Note Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each accountholder at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “ Clearing System Business Day ” means a day on which the CMU is operating and open for business. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Noteholders, the Issuer, the Guarantor, the CMU participants, accountholders, the indirect participants or any other person in respect of any such payment.
Governing Law and Jurisdiction	English law. Exclusive jurisdiction of the Hong Kong courts.
Trustee	China CITIC Bank International Limited.
CMU Lodging and Paying Agent	China CITIC Bank International Limited.
Registrar and Transfer Agent ...	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.

Further Issues	The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the timing to perform and complete the Cross-Border Security Registration and the filing to NDRC) so as to form a single series with the Notes. The Issuer may from time to time, create and issue other series of notes having the benefit of the Trust Deed and the Deed of Guarantee, <i>provided that</i> such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed.
Ratings	The Notes are expected to be rated “Ag-” by CCCXAP and “A-” by Lianhe Global. The Guarantor has been assigned “A _g -” long term credit rating with Positive Outlook by CCXAP and “A-” global scale long-term issuer credit rating with Positive Outlook by Lianhe Global. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, qualification, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, qualification, suspension, reduction or withdrawal of any rating assigned to the Notes or the Guarantor may adversely affect the market price of the Notes. The significance of each rating should be analysed independently from any other rating.
Use of Proceeds	See the section entitled “ <i>Use of Proceeds</i> ”.
LEI	The legal entity identifier number of the Issuer is 30030002ZHWKBLMSJM55.
Sustainability Finance Framework	The Notes are being issued as “sustainability notes” under the Sustainability Finance Framework. See the section entitled “ <i>Sustainability Finance Framework</i> ”.

SELECTED FINANCIAL INFORMATION OF THE ISSUER

The summary financial information of the Issuer as at and for the years ended 31 December 2022 and 2023 set forth below is derived from the 2023 Issuer Audited Financial Statements, and the summary financial information of the Issuer as at and for the year ended 31 December 2024 set forth below is derived from the 2024 Issuer Audited Financial Statements. The Issuer Audited Financial Statements are included elsewhere in this Offering Circular. The Issuer Audited Financial Statements have been prepared and presented in accordance with IFRS and have been audited by Deloitte. The summary financial statements as set forth below should be read in conjunction with, and are qualified in their entirety by reference to, the relevant financial statements of the Issuer and the notes thereto included elsewhere in this Offering Circular. Historical results of the Issuer are not necessarily indicative of results that may be achieved for any future period. Prospective investors must exercise caution when using such data to evaluate the Issuer's financial condition and results of operations.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness or sufficiency of such audited financial statements. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them has independently verified any of the information contained therein nor can give assurance that such information is accurate, truthful or complete.

STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December		
	2022	2023	2024
	(U.S.\$ in thousands)		
Interest income	46,297	83,329	82,298
Other gains (losses)	3,820	602	716
Administrative expenses	(1,019)	(744)	(290)
Finance costs	(29,419)	(64,992)	(62,338)
Profit before income tax	19,679	18,195	20,386
Income tax expense	(4,624)	(8,231)	(8,173)
Profit and total comprehensive income for the year	15,055	9,964	12,213

BALANCE SHEET

	For the year ended 31 December		
	2022	2023	2024
	<i>(U.S.\$ in thousands)</i>		
Current assets			
Other receivables	38	20	–
Amounts due from fellow subsidiaries . . .	998,988	984,050	986,791
Amount due from ultimate and immediate holding company	290,000	–	–
Financial assets at fair value through profit or loss	328	245	273
Tax recoverable	2,399	–	1,841
Restricted bank balances	–	16,936	16,936
Cash and cash equivalents	4,559	3,434	5,306
	1,296,312	1,004,685	1,011,147
Total assets	1,296,312	1,004,685	1,011,147
Current liabilities			
Other payables	23	19	12
Amount due to ultimate holding company	44,914	41,905	38,507
Tax liabilities	2,015	1,999	–
Other borrowings	1,157	1,305	1,129
Guaranteed notes	490,091	6,983	495,226
	538,200	52,211	534,874
Net current assets	758,112	952,474	476,273
Non-current liabilities			
Other borrowings	395,720	392,962	390,571
Guaranteed notes	298,867	486,023	–
	694,587	878,985	390,571
Net assets	63,525	73,489	85,702
Capital and reserves			
Share capital	9,992	9,992	9,992
Retained earnings	53,533	63,497	75,710
Total equity	63,525	73,489	85,702

SELECTED FINANCIAL INFORMATION OF THE GUARANTOR

The summary consolidated financial information of the Guarantor Group as at and for the years ended 31 December 2022, 2023 and 2024 set forth below is derived from the Guarantor Audited Financial Statements which are included elsewhere in this Offering Circular. The Guarantor Audited Financial Statements were prepared and presented in accordance with the PRC Accounting Standards and have been audited by RSM China for the years ended 31 December 2022, 2023 and 2024. The summary financial statements as set forth below should be read in conjunction with, and are qualified in their entirety by reference to, the relevant financial statements of the Group and the notes thereto included elsewhere in this Offering Circular. Historical results of the Group are not necessarily indicative of results that may be achieved for any future period. Prospective investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations.

Starting from 1 January 2023, the Guarantor has adopted Interpretation No. 16 as issued by the MOF on 30 November 2022. Upon the adoption of such new accounting standards, certain items on the consolidated comparative balance sheet of the Guarantor as at 31 December 2023 have been adjusted accordingly. For further details, please see "Note 3.39 – Changes in Significant Accounting Policies and Accounting Estimates" to the 2023 Guarantor Audited Financial Statements.

Starting from 2024, the Guarantor has adopted the Compilation 2024 of Application Guidance for Enterprise Accounting Standards and Interpretation No. 18, each as issued by the MOF in March 2024 and on 6 December 2024 respectively. Upon the adoption of these new accounting standards, certain items on the consolidated comparative income statement of the Guarantor as at 31 December 2023 have been adjusted accordingly. For further details, please see "Note 5.1 – Changes in Significant Accounting Policies, Accounting Estimates and Correction of Significant Prior Period Errors" to the 2024 Guarantor Audited Financial Statements.

The Guarantor has prepared the Financial Statements Translation as set out elsewhere in this Offering Circular. The Financial Statements Translation does not itself constitute audited financial statements.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness or sufficiency of the Financial Statements Translation. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them has independently verified any of the information contained therein nor can give assurance that such information is accurate, truthful or complete.

PRC Accounting Standards differ in certain material respects from IFRS. For a discussion of certain differences between PRC Accounting Standards and IFRS, please see the section entitled "Summary of Certain Differences between PRC Accounting Standards and IFRS".

CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December		
	2022	2023	2024
	<i>(RMB in thousands)</i>		
Operating revenue	562,621,534	490,498,159	416,414,507
Operating costs	(546,363,669)	(477,459,261) ⁽¹⁾	(402,471,510)
Taxes and surcharges	(1,077,329)	(1,109,522)	(864,743)
Selling and distribution expenses	(3,195,127)	(2,879,721) ⁽¹⁾	(3,499,389)
General and administrative expenses	(2,651,149)	(2,674,099)	(2,907,976)
Research and development expenses	(127,035)	(166,825)	(128,485)
Finance costs	(2,700,241)	(4,875,703)	(3,983,485)
Other income	613,706	782,105	619,260
Investment income	1,139,345	499,135	1,595,185
Gains/(losses) from changes in fair values	(657,569)	449,880	983,714
Credit impairment losses	(316,839)	(1,195,643)	(1,661,413)
Asset impairment losses	(963,534)	(785,679)	(1,709,931)
Gains/(losses) from disposal of assets	37,784	51,125	(102,483)
Operating profit	6,359,876	1,133,951	2,283,250
Non-operating income	671,453	362,720	280,451
Non-operating expenses	(412,441)	(152,716)	(213,651)
Profit before income tax	6,618,889	1,343,956	2,350,051
Income tax expenses	(1,777,978)	(348,760)	(1,093,134)
Net profit for the year/period	4,840,911	995,196	1,256,916
Net profit attributable to:			
Owners of the Parent	2,014,992	102,864	177,172
Non-controlling interests	2,825,919	892,332	1,079,745

Note:

- (1) The Guarantor has adjusted these line items in the consolidated comparative financial statements for the year ended 31 December 2023 pursuant to the Compilation 2024 of Application Guidance for Enterprise Accounting Standards issued by the MOF in March 2024 and Interpretation No. 18 issued by the MOF on 5 December 2024.

CONSOLIDATED BALANCE SHEET

	As at 31 December		
	2022	2023	2024
	(RMB in thousands)		
Current assets			
Monetary funds	38,197,182	37,977,177	43,397,881
Financial assets held for trading	4,628,076	6,941,403	9,778,822
Derivative financial assets	138,337	305,081	627,207
Notes receivable	466,403	803,182	724,590
Accounts receivable	13,526,019	17,447,146	17,898,013
Accounts receivable financing	1,591,694	593,907	359,190
Advances to suppliers	17,701,154	25,242,442	16,100,831
Other receivables	16,908,153	22,338,101	34,111,859
Inventories	92,627,680	104,628,481	93,703,384
Contract assets	755,227	651,410	792,786
Non-current assets maturing			
within one year	4,102,326	3,025,132	4,034,975
Other current assets	11,025,151	16,688,692	16,545,258
Total current assets	201,667,402	236,642,153	238,074,797
Non-current assets			
Debt investment	4,267,544	2,717,633	4,344,389
Long-term receivables	2,063,577	2,751,323	2,030,066
Long-term equity investments	9,764,141	16,597,498	12,337,167
Other equity instrument investments	—	—	85,714
Other non-current financial assets	11,329,275	6,403,584	14,149,597
Investment properties	4,812,169	5,415,247	5,551,851
Fixed assets	38,062,102	37,472,679	36,137,194
Construction in progress	4,673,470	4,202,294	5,317,018
Right-of-use assets	1,747,362	2,477,323	1,977,805
Intangible assets	4,113,723	4,420,167	4,490,704
Development expenditure	9,073	11,647	19,923
Goodwill	50,191	43,656	49,022
Long-term deferred expenses	373,839	517,816	507,781
Deferred tax assets	3,148,907 ⁽¹⁾	4,466,779	5,287,666
Other non-current assets	6,878,293	7,448,310	8,581,550
Total non-current assets	91,293,667	94,945,956	100,867,450
Total assets	292,961,068	331,588,109	338,942,247

	As at 31 December		
	2022	2023	2024
	(RMB in thousands)		
Current liabilities			
Short-term borrowings	33,942,101	46,699,820	56,877,582
Derivative financial liabilities	803,551	1,111,421	874,527
Notes payables	23,391,921	29,435,485	28,100,172
Accounts payable	19,976,075	21,298,052	19,507,603
Receipts in advance	57,935	81,511	75,370
Contract liabilities	35,340,389	53,946,895	42,910,129
Employee benefits payable	1,947,622	1,687,034	1,791,860
Taxes payable	2,208,484	1,944,979	2,058,664
Other payables	13,044,351	11,746,647	11,522,002
Non-current liabilities maturing			
within one year	13,397,770	15,474,832	21,523,360
Other current liabilities	12,265,876	13,800,911	20,350,392
Total current liabilities	156,376,076	197,227,587	205,591,661
Non-current liabilities			
Long-term borrowings	34,345,935	26,103,642	30,686,312
Bonds payable	12,850,364	16,584,999	11,050,946
Lease liabilities	1,024,763	1,068,370	823,048
Long-term payables	1,050,835	1,536,678	949,475
Long-term employee benefits payable	917,061	687,023	698,211
Estimated liabilities	49,170	82,609	23,154
Deferred income	583,101	539,017	521,702
Deferred tax liabilities	741,020 ⁽¹⁾	226,158	328,105
Other non-current liabilities	1,873,704	41,576	—
Total non-current liabilities	53,435,955	46,870,071	45,080,953
Total liabilities	209,812,031	244,097,658	250,672,614
Owners' equity			
Paid-in capital	1,775,908	1,775,908	1,775,908
Other equity instruments	6,210,000	8,216,700	11,158,000
Capital reserves	10,180,802	11,350,589	10,641,355
Other comprehensive income (losses)	294,766	(9,695)	564,283
Special reserves	7,745	659	1,005
Surplus reserves	337,027	416,602	499,922
General risk reserves	26,429	22,338	21,942
Retained earnings	8,519,865	7,802,317	7,237,421
Total owner's equity attributable to			
parent company	27,352,543	29,575,419	31,899,837
Non-controlling interests	55,796,495	57,915,032	56,369,796
Total owners' equity	83,149,037	87,490,451	88,269,633
Total liabilities and owners' equity	292,961,068	331,588,109	338,942,247

Note:

- (1) The Guarantor has adjusted these line items in the consolidated comparative financial statements for the year ended 31 December 2022 pursuant to Interpretation No. 16 issued by the MOF on 30 November 2022.

CONSOLIDATED STATEMENT OF CASH FLOWS

	As at 31 December		
	2022	2023	2024
	<i>(RMB in thousands)</i>		
Net cash flows from operating activities . .	12,851,739	8,763,013	3,674,925
Net cash flows from investing activities . .	(12,677,537)	(7,167,942)	(6,002,346)
Net cash flows from financing activities . .	11,745,268	204,804	10,363,897
Net increase in cash and cash equivalents	12,213,972	1,728,791	7,795,531
Cash and cash equivalents at the beginning of the period	18,693,535	30,907,507	32,636,298
Cash and cash equivalents at the end of the period	30,907,507	32,636,298	40,431,829

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information contained in this Offering Circular, including the risks and uncertainties described below. The business, financial conditions or results of operations of the Group could be materially adversely affected by any of these risks. The Group believes that the following factors may affect the Issuer's ability to fulfil its obligations under the Notes and/or the Guarantor's ability to fulfil its obligations under the Deed of Guarantee. Additional considerations and uncertainties not presently known to the Group or which it currently deems immaterial may also have an adverse effect on an investment in the Notes. All of these factors are contingencies which may or may not occur and the Group is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Group believes may be material for the purpose of assessing the market risks associated with the Notes are also described below. The Group believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer and/or the Guarantor to repay principal, interest or other amounts or fulfil other obligations on or in connection with the Notes and/or the Guarantee of the Notes may occur for other reasons and the Group does not represent that the statements below regarding the risks of investment in the Notes are exhaustive.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

The Group's businesses are subject to various laws, regulations and government policies.

The Group's businesses are subject to the laws, regulations and policies of the jurisdictions in which they operate. The Group's businesses may be materially and adversely affected if the Group fails to comply with the applicable laws and regulations.

In addition, such laws, regulations and policies may be subject to changes of substance or interpretation that could adversely affect the Group's businesses. These may include tariffs, trade barriers, licences, approvals, health and safety and environmental regulations, regulations relating to the registered capital of a company, emission controls, taxation, exchange controls, employment legislation, and other matters, which may be imposed at both national and local government levels. Compliance with such laws and regulations may require the Group to incur significant capital expenditure or may impose other obligations or liabilities which could create a substantial financial burden on the Group. In addition, control by the authorities over various aspects of the Group's businesses may impose significant constraints on the Group's ability to implement its business strategies, to develop or expand the Group's business operations or to maximise the Group's profitability.

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

The Group's business is subject to general economic and social conditions in the PRC, which may be adversely affected by natural disasters, epidemics and other acts of God which are beyond the Group's control. The occurrences of epidemics, such as the outbreak of COVID-19

(including any variants thereof) or the past occurrence of Middle East Respiratory Syndrome (MERS), Severe Acute Respiratory Syndrome (“SARS”), H5N1 avian flu, human swine flu (also known as Influenza A or H1N1) or H7N9 avian flu, depending on their scale, have caused and may continue to cause different degrees of damage to the national and local economies in the PRC.

The recurrence of COVID-19 or SARS, or an outbreak of any other epidemics in the PRC, such as the H5N1 or the H7N9 avian flu, especially in Xiamen or in Fujian Province, may delay completion of the Group’s projects under construction as scheduled, affect the manufacturing, logistics and sales of commodities supplied by the Group, causing substantial increase in the Group’s costs, which may result in a material impact on the Group’s related businesses, which in turn may adversely affect the Group’s results of operations, financial condition and prospects. In addition, if any of the employees of the Group are affected by any severe communicable disease, it may cause a temporary closure of the facilities or construction sites of the Group to prevent the spread of the disease, which could materially and adversely affect the business, results of operations and financial condition of the Group. The spread of any severe communicable disease in Xiamen or in the Fujian Province may also affect the operations of the suppliers of the Group, which could in turn materially and adversely affect the business, results of operations, financial condition and prospects of the Group. As there is significant uncertainty relating to future developments of such communicable diseases, the Group is not able at this moment to ascertain the full impact on its financial or operational results.

Moreover, the Group’s operations are based in jurisdictions which are exposed to potential natural disasters including, but not limited to, typhoons, storms, floods and earthquakes. The PRC has experienced natural disasters such as earthquakes, floods and droughts in the past few years. For example, in June 2020, weeks of torrential rain flooded provinces throughout southern China, causing landslides, bursting dikes, forcing the evacuation of local residents and resulting in billions of Renminbi in economic losses. In 2019, severe Typhoon Lekima struck the Zhejiang Province, resulting in the death of more than thirty people and emergency evacuation of more than one million people. In May 2008 and April 2010, the PRC experienced earthquakes in the Sichuan Province and Qinghai Province, respectively, resulting in the death of tens of thousands of people. In the beginning of 2010, there occurred severe droughts in south-western China, resulting in significant economic losses in these areas. If any of the Group’s developments are damaged by severe weather or any disaster, epidemics and other acts of God, the Group’s operations may be significantly interrupted. 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 revenues. Risks of substantial costs and liabilities are inherent in the Group’s principal operations and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons.

Substantial capital investment is required for the Group’s businesses. Failure to obtain sufficient liquidity could limit the Group’s ability to engage in desired activities and grow its business.

The Group’s businesses are generally capital intensive and require significant amounts of working capital to support its respective operations and service its debts. Continuous funding of

and access to working capital is critical for the Group to maintain its business activities and to grow its business through investments and acquisitions of new assets. The Group's liquidity may be impaired due to circumstances it is unable to control, such as general market disruptions, increases in the prices of commodities or an operational problem that affects its suppliers or customers or the Group itself. In addition to maintaining a cash position, the Group relies on other principal sources of liquidity: borrowings under various short-term and long-term bank loans, issuance of notes in the debt capital markets and equity financing. An inability to raise funds in the short-term and/or long-term debt markets and/or capital markets could have a material adverse effect on the liquidity position of the Group. The Group's access to adequate funds to finance its activities could be impaired by factors that affect the Group in particular or the industries or geographies in which it operates. Although the Group expects the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available to the Group on acceptable terms or at all.

The Group's businesses may be affected by global economic developments.

The Group's businesses may be affected by material changes in global economic and political environments as well as the performance of certain major developed economies in the world. For example, the international trade environment and various governments' trade and economic policies, particularly the mounting trade conflicts between the PRC and the United States, may cause uncertainties to the PRC's economy and financial, foreign exchange and capital markets, which may in turn have a material adverse effect on the Group's business, financial condition and results of operations. The military conflict between Russia and Ukraine has resulted in escalated regional instability, amplified the existing geopolitical tension among Russia and other countries in the region and in the west, as well as adversely affected commodity and other financial markets or economic conditions. Such geopolitical uncertainty is contributing to further increases in the prices of energy, oil and other commodities and to volatility in financial markets globally, as well as a new landscape in relation to international sanctions and export-control measures. For example, the United States, the United Kingdom, the member states of the European Union and other public and private actors have levied severe sanctions on Russia. The geopolitical and macroeconomic consequences of this military conflict and the associated sanctions cannot be predicted, and such events, or any further hostilities in Ukraine or elsewhere, could severely impact the world economy and have a material adverse impact on macroeconomic factors which affect the Group's business, financial condition and results of operations.

In addition, the United Kingdom's exit from the European Union took place on 31 January 2020, in which the United Kingdom legally revoked its membership in the European Union ("Brexite"). The United Kingdom then entered into the transition period which was agreed between the British government and the European Union. On 24 December 2020, the United Kingdom and the European Union reached the EU-UK Trade and Cooperation Agreement, setting out the new rules that will apply from 1 January 2021. The transition period ended on 31 December 2020 and the United Kingdom left the European Union single market and customs union. Brexite may continue to create negative economic impact and increase volatility in global markets, including but not limited to further decreases in global stock exchange indices, increased foreign exchange volatility (in particular a further weakening of the pound sterling and euro against other leading currencies) and a possible economic recession involving more countries and areas.

Furthermore, there are increasing inflationary pressures which have been triggered by a number of factors including increasing trade conflicts and barriers among different countries, labour shortages and rising energy costs, which may have severe consequences on the global economy such as increased costs of borrowings and production and lower business activities, and may in turn have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, 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 historically rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, the annual growth rate of China's GDP in 2019 slowed down to 6.1 per cent. on a year-on-year basis compared to 6.6 per cent. in 2018, and it further decreased to 2.3 per cent. in 2020 on a year-on-year basis. Fluctuations in the annual growth rate of China's GDP have been reported from 2021 to 2024, culminating with an annual growth rate of 5.0 per cent. in 2024 on a year-on-year basis. In May 2017, Moody's Investors Service ("**Moody's**") downgraded China's long-term local currency and foreign currency issuer ratings from Aa3 to A1 and, in December 2023, changed the outlook from stable to negative on China's government credit ratings, which highlighted the country's surging debt burden and questioned the government's ability to enact reforms. In 2025, Moody's affirmed China's long-term local currency and foreign currency issuer ratings of A1, with a negative outlook, citing changes in the global trade environment which may hinder policy efforts to re-balance the economy towards high productivity sectors, and potentially worsening fiscal metrics owing to weaker exports. Similarly, in September 2017, S&P Global Ratings downgraded the long-term foreign and local currency sovereign credit ratings on China from AA- to A+, and affirmed the same rating with a positive outlook in 2024. In 2025, Fitch Ratings downgraded China's issuer ratings from A+ to A, with a stable outlook, citing concerns over the weakening public finances, the rapidly rising public debts, subdued domestic demands, rising tariffs and deflationary pressures. Any slow-down in the PRC economy may create a credit-tightening environment, increase the Group's financing costs, or reduce government subsidies to the Group, resulting in a material adverse effect on its business, results of operations and financial condition. In recent years, owing to the worsening macro-economic development and adjustment in the industrial chain, the Group has observed an increase in its bad debt, which leads to an increase of its credit impairment losses. The Group will continue to mitigate such risks by tightening its credit standards according to the risk profiles of its customers, strengthening its receivable management and having sufficient reserve for any necessary provision of bad debts.

Changes in global economic or political conditions could result in adverse exchange rate movements, new currency or exchange controls or other restrictions being imposed on the Group's operations or foreign remittances. Because the Group's financial results are reported in Renminbi, if the Group generates operating revenue or earnings in other currencies, the translation of those results into Renminbi can result in a significant increase or decrease in the amount of those operating revenue or earnings. Furthermore, to the extent that the Group is unable to match operating revenue received in foreign currencies with costs paid in the same currency, exchange rate fluctuations between such currencies could have an adverse effect on the Group's liquidity or their abilities to efficiently utilise their working capital. Therefore, it is possible that volatility in currency exchange rates will have a material adverse effect on the Group's financial condition or results of operations.

The Group's logistics business is dependent on its customers' business performance, their continuing outsourcing of logistics operations and the demand for international freight forwarding services.

As an integrated logistics service provider, the Group is primarily engaged in providing services to manufacturers, retailers and other customers to serve their needs along their supply chains. The Group is, therefore, dependent on its customers' business performance and developments in their markets and industries. Any decline in the customers' business performance may lead to a corresponding decrease in the demand for the Group's integrated logistics and international freight forwarding services. Further, any decline in the customers' business performance could also increase counter-party risk which the Group may be subject to. There can be no assurance that the Group's counterparties with significant exposures will be able to pay the amounts under relevant contracts fully and in a timely manner when due. In addition, as the Group serves as a third-party logistics provider for its customers, changes in their outsourcing decisions could adversely affect the Group's business, financial conditions and results of operations, for example the customers may change their supply chain strategies and decide to reduce their outsourcing of logistics operations and perform certain or all of the operations themselves. Adverse developments in the business performance and outsourcing decisions of the Group's customers could therefore adversely affect the Group's business, financial conditions and results of operations.

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

The Group has substantial indebtedness outstanding. Substantially all of the Group's indebtedness bears interest, some of which accrues at interest rates linked to benchmark lending rates published by PBOC or to the loan prime rates (the "LPR") published by the National Interbank Funding Centre. As at 31 December 2024, the Group's total interest-bearing indebtedness (comprising short-term borrowings, non-current liabilities maturing within one year, other current liabilities, lease liabilities, long-term payables, other non-current liabilities, long-term borrowings and bonds payable) was approximately RMB142 billion. Any material fluctuation in the benchmark lending rate or the LPR may have a material impact on the Group's interest expenses and payables under its indebtedness and in turn affect its results of operations. The PRC Government has historically from time to time adjusted benchmark lending rates to implement economic and monetary policies. Since the outbreak of the global financial crisis in 2008, the PBOC progressively lowered the benchmark lending rates with an aim to encourage lending, increase liquidity in the market and promote the recovery of China's economy. Since 2012, PBOC reduced the benchmark one-year lending rate a number of times to 4.35 per cent. as at 24 October 2015 and onwards. On 20 July 2013, pursuant to the Notice on Further Promoting the Market-oriented Interest Rate Reform (中國人民銀行關於進一步推進利率市場化改革的通知), the PBOC abolished the restrictions on lending rates by financial institutions and allowed financial institutions to determine their lending rates in a market-based manner. Starting August 2019, the National Interbank Funding Centre is authorised by 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 latest LPR for one-year lending published on 20 June 2025 was 3.00 per cent. Although the Group's financial condition and results of operations may benefit from the

current low-interest environment, there is no assurance that this environment will continue. Any increase in the LPR in the future will increase the Group's financing costs and adversely affect the Group's profitability, financial condition and results of operations.

Some of the Group's businesses, conducted through its subsidiaries, are operated in sectors facing increasing competition and consolidation in the PRC.

The Group's businesses operate in highly fragmented and competitive markets, and face increasing competition for capital, labour, location, facilities and supporting infrastructure, services, pricing, raw materials as well as acquisition opportunities and new business opportunities. Certain of the Group's competitors in their respective businesses may have longer operating track records, stronger government and customer relationships and stronger parent support and have access to greater financial, technical, infrastructure, marketing and other capabilities, other resources and/or better name recognition than the Group. A number of the Group's competitors have, as a result of consolidation in their respective markets, become larger and are able to capitalise upon the extensive local knowledge, business relationships and longer operational track records of their newly-acquired subsidiaries and enjoy greater economies of scale and operational efficiencies. There is no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to the Group's activities will not have a material adverse effect on the Group's financial conditions and results of operations. If the Group cannot respond to changes in market conditions or changes in customer preferences more swiftly or more effectively than its competitors, the Group's businesses, results of operations and financial conditions could be materially and adversely affected.

The Guarantor has pledged substantially all of its equity interests in certain of its key subsidiaries.

The Guarantor has pledged the equity interests of certain of its subsidiaries in order to secure financing for its ordinary course businesses and operations. Should there be a default under the terms of the relevant financing arrangements for which the Guarantor has pledged such equity interests, the relevant creditors may be entitled to enforce such pledges and the Guarantor could lose such equity interests. There can be no assurance that a material adverse impact on the Group's business, assets, operating revenue and financial condition would not occur if, individually or in aggregate, the relevant equity interest pledges are enforced.

The Guarantor and certain of its subsidiaries have substantial indebtedness as well as contingent liabilities and may incur further additional indebtedness and contingent liabilities in the future.

The Guarantor and certain of its subsidiaries now have, and will continue to have, a substantial amount of indebtedness and incur contingent liabilities. As at 31 December 2022, 2023 and 2024, the Group's total indebtedness was approximately RMB210 billion, RMB244 billion and RMB251 billion, respectively. Such indebtedness and contingent liabilities could have important consequences, including the following:

- adversely affecting the relevant corporate credit rating;
- exposing the Guarantor to risks arising from increases in interest rates;
- limiting the Guarantor's ability to satisfy its obligations under its debts;
- increasing the Guarantor's vulnerability to adverse general economic and industry conditions;
- requiring the Guarantor and the relevant subsidiary to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Group's flexibility in planning for, or reacting to, changes in its businesses and the industries in which it operates;
- placing the Group at a competitive disadvantage compared to its competitors that have less debt;
- limiting, along with the financial and other restrictive covenants of the relevant subsidiary's indebtedness, among other things, the Group's ability to borrow additional funds; and
- increasing the cost of additional financing.

The Group's borrowings may be secured. Third-party security rights may limit the Group's use of the underlying collateral assets and adversely affect its operational efficiency. If the Guarantor and its subsidiaries are unable to service their secured debts on a timely basis, the assets provided as security for such debts may be subject to foreclosure, which may adversely affect the Group's business, prospects and financial condition.

Furthermore, if the Guarantor or the relevant subsidiary is unable to comply with the restrictions and covenants in its current or future debt or other agreements, there could be a default under the terms of such agreements. In the event of a default under such agreements, the holders of the debt could terminate their commitments to lend to the Guarantor or the relevant subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered into by the Guarantor or its subsidiaries contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of debt or result in a default under other debt agreements. If any of these events occur, there is no assurance that the Group's assets and cash flows would be sufficient to repay in full all of such indebtedness, or that the Group would be able to find alternative financing on acceptable terms or at all.

The Group's overseas operations subject it to various business, economic, political, regulatory and legal risks, and the Group may not successfully manage its growth in particular its international expansion.

The overseas operations of the Group has subjected the Group to, among other things, economic and political conditions in foreign countries, including the imposition of government controls, political and economic instability, trade restrictions, changes in tariffs, laws and policies affecting trade and investment, the lack of development of local infrastructure, labour unrest and difficulties in staffing, co-ordinating communications among and managing international operations, fluctuations in currency exchange rates and earnings, expatriation restrictions, difficulties in obtaining export licences, misappropriation of intellectual property, tax issues including amendments to taxation laws, cultural and language differences, local banking systems, restrictions on the repatriation of profits or payment of dividends, nationalisation or expropriation of property, crime, strikes, riots, civil disturbances, terrorist attacks or wars, regulations and requirements related to community welfare and social responsibilities.

As the Group continues to grow, the Group will need to improve its managerial, technical and operational knowledge and allocation of resources, and to implement an effective information management system and strengthen management control across its businesses. In order to fund the Group's ongoing operations and future growth, the Group will need to have sufficient internal sources of liquidity or access to additional financing from external sources. Moreover, the Group will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. The Group may develop or invest in new businesses ancillary to or related to the Group's existing businesses and such diversification may place significant demands on the Group's management and resources as the Group may not have the experience or expertise necessary for the successful development of such new businesses. The Group may undertake potential acquisitions in overseas markets or enter into new strategic alliances, cooperation agreements, memoranda of understanding and partnerships with domestic or foreign companies as part of its future business expansion plans, if suitable opportunities in the market arise. However, the Group may not successfully identify new acquisition opportunities or opportunities on favourable or acceptable terms to the Group. The Group may not be able to integrate successfully the acquired business into the Group or deal with difficulties such as loss of middle management and ground staff and failure to detect and rectify business, operational or financial issues of the acquired business, and to derive any synergies from such acquisitions, leading to increases in costs, time and resources. There can be no assurance that the Group will be able to manage its growth successfully or that its expansion plans will not adversely affect the Group's existing operations and thereby have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

Individual countries in which the Group may invest and develop projects in the future may also have particular risks. In addition, some countries in which the Group may intend to invest and operate may experience periods of slow or negative growth, high inflation, significant currency devaluations or limited availability of foreign exchange. Furthermore, in countries such as the PRC, governmental authorities exercise significant influence over many aspects of the economy and their actions could have a significant effect on the Group's operations and on the Group's intended overseas operations.

The Group may face unexpected difficulties in expanding into new industries.

To improve profitability and diversify potential risks, the Group has been expanding its business to include urban development and operation and integrated financial services, in addition to its primary business in its commodity supply chains service. Expansion in these industries carries with it many associated risks, including risks related to lack of operating experience in such industries and lack of experienced management and employees to staff such expansion. Expansion may also place excessive pressure on the Group's financial, human and management resources that are otherwise available for the Group's current businesses. In addition, there might be many established incumbent players in these new industries which have greater financial resources, established experience or presence in these new markets, and it may be difficult for the Group to win market share from them. There can be no assurance that the Group's expansion plans will be successful.

The Group's operations may be subject to man-made accidents, acts of war and terrorist attacks.

Man-made accidents, catastrophe or other events could result in severe personal injury, 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.

In addition, the Group's operations may be subject to acts of war and terrorist attacks. Acts of war and terrorist attacks may cause damage or disruption to the Group, its employees, subcontractors, operations, equipment and facilities, as well as to its markets, any of which could impact its public image, turnover and cost of sales. The potential for war or terrorist attacks may also create uncertainty and cause its business to suffer in ways that the Group cannot currently predict.

The Group faces litigation risks in the course of its business.

In the ordinary course of the Group's business, claims from suppliers, customers, third-party service providers, joint venture partners and other parties may be brought against the Group or by the Group in connection with its business activities from time to time, for example claims for alleged breach of contract and liabilities for defects, delays, injuries or damage. The claims can involve actual damages and liquidated damages.

Both claims brought against the Group and by the Group, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings which could also be disruptive to the Group's normal business operations and may distract management attention. The results of these legal proceedings are often difficult to predict and the amounts ultimately realised from such claims by the Group could differ from the balances included in the Group's financial statements. Moreover, legal proceedings resulting in judgments or findings against the Group may harm its reputation, cause economic losses and affect its business prospects. Such claims could therefore have a material and adverse impact on the Group's financial conditions, results of operations and cash flows.

The Group is subject to risks relating to accidents or other hazards which may not be covered by insurance.

The Group maintains adequate insurance coverage for risks in most of its businesses, including damage to property and assets, employee insurance and third-party liability, where insurance is available on what it considers to be reasonable commercial terms. The level of coverage and types of insurance obtained by the management of each business differ depending on the characteristics of each business and the regulations of the jurisdictions in which it operates. The insurance coverage maintained by the Group may not fully indemnify it for all potential losses, damages or liabilities relating to property or business operations, particularly those arising from or as a result of war, civil unrest, terrorism, pollution, fraud, professional negligence and acts of God. If the Group suffers any losses, damage or liabilities in the course of its operations arising from events for which it does not have any or adequate insurance cover, it may not have sufficient funds to cover any such losses, damage or liabilities or to replace any property that has been destroyed.

There may not be adequate insurance coverage available for certain accidents or liabilities incurred in the course of hazardous operations. In addition, the Group's insurers may become impaired and become unable to meet claims. The occurrence of any of the above events and the resulting payment the Group makes to cover any losses, damage or liabilities may have a material adverse effect on its reputation, business, results of operations and financial position. Further, notwithstanding the Group's insurance coverage, any damage to the Group's buildings, facilities, equipment, or other properties as a result of occurrences such as fires, floods, water damage, explosions, power losses, typhoons and other natural disasters may have a material adverse effect on the Group's business, financial conditions and results of operations.

Furthermore, while every care is taken by the Group and its employees in the selection, accidents and other incidents, such as theft, may occur from time to time. Such accidents or incidents may expose the Group to liability or other claims by its customers and other third parties. Although the Group believes that it has adequate insurance arrangements to cover such eventualities, it is possible that certain accidents or incidents are not covered by these arrangements, which could adversely affect the business, financial conditions and results of operations of the Group.

The Group may fail to maintain its brand image and its close relationship with the PRC governmental authorities including Xiamen SASAC which could adversely affect the Group's business.

The Group places great emphasis on managing and maintaining its brand image which represents the quality of its products and services. However, brand value is based largely on customer perception with a variety of subjective qualities and can be damaged even by isolated business incidents that degrade customer trust. There is no guarantee that the Group will be able to continue to maintain a strong brand image and value. Any deterioration of the Group's brand image could materially and adversely affect its business, financial conditions and results of operations.

In addition, the Guarantor is wholly-owned and controlled by Xiamen SASAC and leverages its position as a state-owned enterprise and benefits from support from the PRC government as well as first-hand knowledge and access to extensive investment opportunities in the industries in which it operates. The strong local government ties of the Group also help drive down acquisition costs and enable the Group to obtain more favourable contractual terms while expediting the process for obtaining relevant government approvals. In addition, the Group also receives strong support from the PRC government in various forms including abundant financial resources, governmental subsidies and policy support. There can be no assurance that current favourable policies or the various incentives available to the Group will not be withdrawn or revoked by the PRC government. The Group's failure to maintain a close relationship with the PRC governmental authorities including Xiamen SASAC could materially and adversely affect its business, financial conditions, results of operations and prospects.

The Group's continued success depends on its senior management and other key personnel.

The Group's continued success depends on its current senior management team, including its executive officers and other skilled managerial and technical personnel. Competition for qualified personnel in the industries where the Group operates is intense and the pool of qualified candidates is limited. The Group's businesses and financial conditions may suffer if it loses the services of its key personnel and is not able to recruit quality replacements. Furthermore, as the Group's businesses continue to grow, it will need to recruit and train additional qualified personnel. If the Group fails to attract and retain qualified personnel, the Group's businesses, financial conditions and long-term prospects may also be adversely affected.

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

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

The Group is subject to foreign currency risk.

The Group is exposed to the risk of foreign currency fluctuations. A substantial portion of the transactions of the Group are denominated in Renminbi. The Group is exposed to foreign exchange risk primarily through sales and purchases, capital expenditures and expenses that are denominated in a currency other than the functional currency of the relevant company in the Group. Changes in the value of foreign currencies could increase the Group's Renminbi costs for, or reduce the Group's Renminbi turnover from, its foreign operations, or affect the prices of

its exported products and imported equipment and materials, any of which could affect the Group's results of operations.

The value of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in China's political and economic conditions. On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. Since then, the PRC Government has made, and may in the future make, further adjustments to the exchange rate system. The PBOC announces in August 2015 the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for the trading against the Renminbi on the following working day. Following such announcement of the PBOC, in August 2015, the Renminbi was thrice devaluated, and its daily mid-point trading price was lowered significantly against the U.S. dollar. Following the gradual appreciation of Renminbi in 2017, Renminbi experienced a depreciation in value against U.S. dollar following a fluctuation in 2018 and a significant depreciation in the second half of 2019, and may continue to fluctuate as the trade tension between China and the U.S. escalates. Renminbi may further appreciate or depreciate significantly in value against the U.S. dollar or other foreign currencies in the long-term. Any significant appreciation of the Renminbi against the U.S. dollar or other foreign currencies may result in the decrease in the value of the Group's foreign currency-denominated assets. Conversely, any significant depreciation of the Renminbi against U.S. dollar or other foreign currencies may adversely affect the Group's ability to repay its foreign currency-denominated debt. In addition, there are limited instruments available for the Guarantor to reduce its foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect the Guarantor's businesses, financial conditions and results of operations of the Group.

The Group is exposed to declines in the current and expected volumes of supply or demand for commodities and fluctuations in commodity prices.

The current and expected volumes of supply and demand for the commodities (chemicals, metals, mineral and agricultural products) in which the Group trades vary over time based on changes in resource availability, government policies and regulations, costs of production, global and regional economic conditions, demand in end markets for products in which the commodities are used, technological developments, 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 future prices (and thus the price curve) of each commodity. There is no guarantee that the risk of price fluctuation can be transferred completely to the customers, which may then have an adverse effect on the Group's financial conditions and results of operations.

The success of the Group's trading activities 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, to some extent, 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 conditions.

The Group's trading activities require access to significant freight, storage, infrastructure and logistics support. The Group is exposed to risks of increases in external costs and may be adversely affected by the performance of third-party contractors.

While the Group is able to leverage its modern logistics business to provide freight, storage, infrastructure and logistics support for its trading activities, the Group nevertheless requires additional support from third-party service providers. Any inability to engage third-party service providers or any material increase in the prices of the relevant support services provided by third-party service providers could adversely affect the Group's business, results of operations and financial conditions. While the Group has established relationships with third-party suppliers of freight, there can be no guarantee that the Group will continue to be able to access freight to support its operations at reasonable prices.

The Group also requires significant storage capacity for its commodities, which it sources pursuant to rental agreements with various warehouses and other storage facilities. An increase in the price at which the Group can acquire storage capacity and the inability to transfer costs to downstream customers in a timely manner could have an adverse effect on the Group's business by making it less profitable.

In addition, the Group engages third-party contractors in other business segments as well, such as its urban development and operation business. There is no assurance that the services rendered by any of the contractors selected by the Group or subcontractors selected by the Group's contractors will always be satisfactory or meet the Group's quality and safety standards. If the performance of any contractor is not satisfactory or does not meet the Group's quality and safety standards, the Group may need to replace such contractor or take other actions to remedy the situation, which could adversely affect the cost and progress of its projects. Contractors may also undertake projects for other companies and developers, engage in risky or unsound practices or encounter financial or other difficulties, which may affect their ability to complete their work for the Group on time and budget. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may incur losses as a result of excess capacity of logistics facilities.

The Group maintains or increases its logistics facilities on the basis of actual demand or projections as to future demand from its key customers. Such projections involve uncertainties, including changes in the economic conditions in the specific industry sector for which the

capacity is purchased or maintained and any decision by such customers to terminate or not renew their contracts with the Group. If the Group is not able to use or sell the excess warehouse capacity that it owns or leases, the Group may incur losses which may materially and adversely affect its business, financial conditions and results of operations.

The Group's commodity hedging activities may be exposed to risks of earnings volatility.

In order to mitigate the risk of price fluctuations of raw materials, the Group has engaged in commodity hedging activities for certain bulk commodities. There are risks in the Group's commodity hedging activities, such as price fluctuation risk, liquidity risk, and technical and operational risk. There can be no assurance that the Group's commodity hedging activities will adequately protect the Group from price fluctuations, in which case, the Group's financial condition and results of operations may be adversely affected.

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

Under applicable PRC laws and regulations, if the Group does not commence land development for more than one year after the date specified in the relevant land use rights grant contract/decision, or the Group commences development on an area which is less than one-third of the area granted, or the capital invested in the development is less than one-fourth of the total investment approved for the development and the development is suspended for more than one year without governmental approval, the PRC Government may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees. The PRC Government may revoke the land use rights certificate without compensation if the Group does not commence development for more than two years after the date specified in the relevant land use rights grant contract/decision without compelling causes. The State Council issued the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) which states, among other things, that the Ministry of Land and Resources of the PRC ("MLR") and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, MLR issued the Notice on Restricting the Administration of Construction Land and Promoting the Utilisation of Approved Land (國土資源部關於嚴格建設用地管理促進批而未用土地利用的通知) on 11 August 2009 which reiterates its policy on idle land. The Idle Land Disposal Measures (閒置土地處置辦法) became effective on 28 April 1999 and was amended on 1 July 2012, providing the procedures for disposal of idle land. Any fines or penalties imposed, or any cancellation of land use rights with respect to idle lands may materially and adversely affect the Group's business, financial condition and results of operations. As at 31 December 2024, the Group did not possess any land for which it had not commenced development within the time stipulated in the relevant land use rights grant contracts/decision. However, the Group may have idle land issue in the future and the imposition of fines and penalties in relation to any idle land could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

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

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

The Group's property leasing business also competes for tenants with other property developers on factors including location, quality, maintenance, property management, rental rates, services provided and other lease terms. There can be no assurance that the Group's existing or prospective tenants will not choose other properties. Any future increase in the supply of properties which compete with the Group would increase the competition for tenants and, as a result, the Group may have to reduce rental rates or incur additional costs to make its properties more attractive. Also, the Group may not be able to lease its properties to a desirable mix of tenants to achieve its business objectives or for rental rates that are consistent with its projections. If the Group is not able to retain its existing tenants, attract new tenants to replace those that leave or lease its vacant properties, the Group's occupancy rates may decline and the Group's properties may become less attractive and competitive. This in turn may have a material and adverse effect on the Group's business, financial condition and results of operations.

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

The Guarantor Audited Financial Statements included elsewhere in this Offering Circular have been prepared and presented in accordance with PRC Accounting Standards, which are different from IFRS in certain respects.

The Guarantor Audited Financial Statements included elsewhere in this Offering Circular have been prepared and presented in accordance with PRC Accounting Standards. PRC Accounting Standards are substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. See the section entitled "*Description of Certain*

Material Differences between PRC Accounting Standards and IFRS” for details. There is no guarantee that PRC Accounting Standards will fully converge with IFRS or that there will be no additional differences between the two accounting standards in the future.

In making an investment decision, an investor should consult its own professional advisers for an understanding of the differences between IFRS, PRC Accounting Standards and/or other generally accepted accounting principles, and how those differences might affect the financial information of the Guarantor.

The Issuer Audited Financial Statements included elsewhere in this Offering Circular have been prepared and presented in accordance with IFRS, while the Issuer’s financial statements to be provided to the Trustee as required under the Terms and Conditions of the Notes will be prepared and presented in accordance with the HKFRS Accounting Standards.

The Issuer Audited Financial Statements included elsewhere in this Offering Circular have been prepared and presented in accordance with IFRS. Please see “*Presentation of Financial Information – Financial Information of the Issuer*” for further information. However, pursuant to Condition 3(d) of the Terms and Conditions of the Notes, the Issuer is required to provide the Trustee, within specified timeframes, with copies of the Issuer Audited Financial Reports (as defined in the Terms and Conditions of the Notes), prepared and presented in accordance with the HKFRS Accounting Standards (“**HKFRS**”), and the Issuer Unaudited Financial Reports (as defined in the Terms and Conditions of the Notes), prepared and presented on a basis consistent with the Issuer Audited Financial Reports.

In making an investment decision, an investor should consult its own professional advisers for an understanding of the differences between HKFRS, IFRS and/or other generally accepted accounting principles, and how those differences might affect the financial information of the Issuer.

The Group has published and may continue to publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular.

The Guarantor from time to time issues corporate bonds in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Guarantor needs to publish its quarterly, semi-annual and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds. After the Notes are issued, the Guarantor is obligated by the terms of the Notes, among others, to provide holders of the Notes with its audited financial statements and unaudited semi-annual financial statements. The periodic financial information published by the Guarantor in the PRC is normally derived from the Group’s management accounts which have not been audited or reviewed by independent auditors, and such financial information may change if it is subject to an audit or a review. As such, the financial information published by the Group in the PRC does not provide the same quality of financial information associated with any audited or reviewed financial information. Such published financial information does not form part of this Offering Circular and should not

be referred to or relied upon by prospective investors. The published financial information in the PRC may be adjusted or restated to address subsequent changes in accordance with the accounting standards, the Group's accounting policies and/or applicable laws and regulations affecting the Group's financial reporting or to reflect the subsequent comments given by the independent auditors during the course of such auditors' audit or review. Such adjustment or restatement may cause discrepancies between the financial information with respect to a particular period or date contained in the Group's management accounts published in the PRC and the financial statements subsequently provided to holders of the Notes. The Guarantor is not responsible to holders of the Notes for the unaudited and unreviewed financial information from time to time published in the PRC and therefore prospective investors should not place any reliance on any such financial information.

The Guarantor's auditors are subject to investigations by and have been subject to administrative penalties, adverse regulatory decisions, warnings and notices of filing issued by PRC regulatory authorities.

RSM China, the independent auditors of the Guarantor for the years ended 31 December 2022, 2023 and 2024, is a registered accounting firm in the PRC supervised by relevant PRC regulatory authorities such as MOF, the China Securities Regulatory Commission and relevant stock exchanges such as the Shanghai Stock Exchange, the Beijing Stock Exchange and the Shenzhen Stock Exchange.

In recent years, as part of an effort to improve effective regulatory supervision, PRC regulatory authorities have increased their examinations of PRC public accountants. As a result, auditors in the PRC have been subject to more frequent examinations. Such investigations are primarily focused on the independence of the auditors, the appropriateness of the implementation of accounting standards, the adequacy of evidence and professional skepticism in the auditing process and the reasonableness of the judgment made by the auditors.

RSM China is subject to investigations by PRC regulatory authorities from time to time. In recent years, these investigations have resulted in various regulatory actions against RSM China and some of its employees, including administrative penalties, adverse regulatory decisions, warning letters and notices of filing issued by MOF, CSRC and relevant stock exchanges such as the Shanghai Stock Exchange, the Beijing Stock Exchange and the Shenzhen Stock Exchange (collectively, the "**RSM Regulatory Actions**"). For example, RSM China and some employees (including but not limited to the certified public accountant who co-signed the audit reports of Xiamen Xiangyu for the years ended 31 December 2022, 2023 and 2024) were subject to administrative actions and were issued a warning letter by the China Securities Regulatory Commission in August 2023 with respect to their audit work undertaken for an initial public offering in the PRC.

The RSM Regulatory Actions primarily relate to RSM China's and the relevant employees' violations and non-compliances of accounting standards, certain professional ethical standards and auditing guidelines. RSM China and the relevant employees are typically instructed to take reform and corrective actions, complete the rectifications and report to the relevant regulatory authorities before the relevant deadlines. RSM China has confirmed that the RSM Regulatory Actions and the investigations relating to the RSM Regulatory Actions do not restrict RSM

China from providing audit services or other services in connection with this offering and have no material adverse effect on this issue of the Notes. RSM China has further confirmed that the auditors who participate in this offering are qualified to provide audit services under applicable PRC laws, rules and guidelines. RSM China has further confirmed that its audit work for the Guarantor in respect of this issue of the Notes, including in respect of the audit reports included elsewhere in this Offering Circular, remains valid and effective. RSM China has also confirmed that its office's registration as an accounting firm, its ability to provide comfort letters and the qualification of the auditors who participate in this offering are not affected by the RSM Regulatory Actions and the investigations relating to the RSM Regulatory Actions.

However, the Guarantor's auditors and their management, officers or employees may from time to time be investigated by PRC regulatory authorities such as MOF, the China Securities Regulatory Commission and relevant stock exchanges such as the Shanghai Stock Exchange, the Beijing Stock Exchange and the Shenzhen Stock Exchange and may be subject to adverse regulatory, administrative and/or criminal decisions, warnings, sanctions, penalties and/or revocations or suspension of business operations as a result of such investigations. Adverse regulatory, administrative and/or criminal decisions, warnings, sanctions, penalties and/or revocations or suspension of business operations against the Guarantor's auditors may restrict the relevant auditors from providing audit services or other services in connection with the Group's financing transactions. In such event, the Guarantor may have to discontinue its engagement with the relevant auditors, which may adversely affect the Guarantor's business operations and harm its reputation. Moreover, any adverse regulatory, administrative and/or criminal decisions, warnings, sanctions, penalties and/or revocations or suspension of business operations against the Guarantor's auditors may affect an investor's confidence in the Guarantor's financial statements audited by its auditors. Prospective investors should consider these factors prior to making any investment decision.

RISKS RELATING TO THE NOTES AND THE GUARANTEE OF THE NOTES

There is uncertainty relating to the enforceability of the Guarantee of the Notes. If the Guarantor fails to complete the SAFE registration in connection with the Guarantee of the Notes within the time period prescribed by SAFE, there may be logistical hurdles for cross border payment under the Guarantee of the Notes.

The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. Pursuant to the SAFE Regulations, any guarantee provided by PRC-incorporated entities in favour of offshore creditors in connection with debt financing granted to offshore debtors is required to be registered with the SAFE. Under the SAFE Regulations, the Guarantor is required to register the Guarantee of the Notes with the SAFE within 15 business days after the date of execution of the Guarantee of the Notes.

As provided by the SAFE Regulations, although the non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated timeframe. In addition, if the Guarantor 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 Guarantor under the

Guarantee of the Notes) as domestic banks may require evidence of SAFE registration in connection with the Deed of Guarantee in order to effect such remittance.

The interpretation of the SAFE Regulations (as well as any implementation rules as issued by SAFE from time to time, including the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No.3) (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知(匯發[2017]3號)) as per which funds raised offshore under the “Nei Bao Wai Dai” (內保外貸) (“NBWD”) structure are allowed to be directly or indirectly repatriated to the PRC by means of loans or equity investments) may involve uncertainties, which may adversely affect the enforceability of the Deed of Guarantee in the PRC. In addition, the administration of the SAFE Regulations and other laws and regulations relating to the Deed of Guarantee may be subject to a certain degree of executive and policy discretion by SAFE and/or other governmental authorities.

There is no assurance that the Guarantor will be able to complete the registration of the Guarantee of the Notes with SAFE within the prescribed timeframe, or at all, that such registration or submission will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the validity and enforceability of the Deed of Guarantee. Under the Terms and Conditions of the Notes, Noteholders may require the Issuer to redeem their Notes in the event that the Guarantee of the Notes is not registered within a specified timeframe. Noteholders who do not exercise such redemption option should note that before requisite registrations and/or approvals relating to the Guarantee of the Notes are completed and/or obtained, it is uncertain whether the Guarantee of the Notes can be enforced in practice.

Any failure to complete the relevant filings under Order 56 within the prescribed timeframes following the issue of the Notes may have adverse consequences on the Issuer, the Guarantor and/or the investors of the Notes.

NDRC issued Order 56 on 5 January 2023, which came into effect on 10 February 2023 and replaced the Notice on the Administrative Reform for the Registration of Offshore Debt Issuances (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)) (the “NDRC Circular”) issued by NDRC and which came into effect on 14 September 2015. According to Order 56, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued, with a maturity term of more than one year, outside the PRC with NDRC prior to borrowing a foreign debt (prior to the completion of delivery of the Notes) and submit the information report within the prescribed time after borrowing a foreign debt (after the completion of delivery of the Notes). Order 56 stipulates that an enterprise shall, before borrowing a foreign debt, obtain the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises and complete examination and registration. The Guarantor has obtained the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises from NDRC dated 28 March 2025 pursuant to Order 56.

According to Order 56, if the enterprise fails to report relevant information within the prescribed timeframes after borrowing a foreign debt, 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, NDRC shall give a warning to the relevant enterprise and its main responsible persons. As Order 56 is relatively new and lacks interpretation and guidance, in the worst-case scenario, such non-compliance with the post-delivery filing requirement under Order 56 may result in it being unlawful for the Issuer and the Guarantor to perform or comply with any of their respective obligations under the Terms and Conditions of the Notes. Prospective investors of the Notes are advised to exercise due caution when making their investment decisions. The Issuer and the Guarantor have undertaken to file or cause to be filed with NDRC the particulars of the issue of the Notes within the prescribed timeframes after the issue of the Notes.

The Notes and the Guarantee of the Notes are unsecured obligations.

As the Notes and the Guarantee of the Notes are unsecured obligations, their repayment may be compromised if:

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

If any of these events were to occur, the Issuer's or, as the case may be, the Guarantor's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes and/or the Guarantee of the Notes.

The Issuer, failing whom the Guarantor, may not be able to redeem the Notes upon the due date for redemption thereof.

The Issuer, failing whom the Guarantor, will be required to redeem the Notes at the scheduled maturity date. Please see "*Terms and Conditions of the Notes – Redemption and Purchase – Scheduled Redemption*". Following the occurrence of a Change of Control or a Non-Registration Event (each as defined in the Terms and Conditions of the Notes), the Issuer may, at the option of any Noteholder, be required to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount (in the case of a Change of Control) or 100 per cent. of their principal amount (in the case of a redemption for a Non-Registration Event), in each case together with accrued interest to (but not including) such Put Settlement Date. Please see "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Relevant Event*".

However, the Issuer, failing whom the Guarantor, may not have sufficient cash in hand on the due date for redemption of the Notes, and may not be able to arrange financing to redeem the Notes in time, on acceptable terms, or at all. The ability of the Issuer, failing whom the Guarantor, to redeem the Notes on such due date may also be limited by the terms of other debt instruments. The Issuer's or the Guarantor's failure to repay, repurchase or redeem Notes upon the due date for redemption thereof could constitute an event of default under the Notes, which

may also constitute a default under the terms of the Issuer's, the Guarantor's or the Group's other indebtedness.

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 and appropriate addition of risk to an investor's overall portfolio. A prospective 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 prospective investor's overall investment portfolio.

In addition, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each prospective 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, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and/or financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible economic scenarios, such as interest rates and other factors that may affect its investment and its ability to bear the applicable risks.

The PRC government (including but not limited to Xiamen SASAC) shall under no circumstances have any obligation arising out of or in connection with the Notes, the Guarantee of the Notes or the transaction documents in relation to the Notes, which are solely to be fulfilled by the Issuer and/or the Guarantor.

The PRC government (including but not limited to Xiamen SASAC) as the ultimate shareholder of the Issuer and the Guarantor only has limited liability in the form of its direct or indirect equity contribution to the Issuer and the Guarantor. The Notes are to be solely repaid by the Issuer and/or the Guarantor as obligors and any obligation arising out of or in connection with the Notes, the Guarantee of the Notes or the transaction documents in relation to the Notes shall solely be fulfilled by the Issuer and/or the Guarantor, each as an independent legal person. The PRC government (including but not limited to Xiamen SASAC) is not an obligor and will not provide guarantee of any kind for the Notes. The PRC government (including but not limited to Xiamen SASAC) shall under no circumstances have any payment or other obligation under the Notes, the Guarantee of the Notes or the transaction documents in relation to the Notes. Noteholders shall have no recourse to the PRC government (including but not limited to Xiamen SASAC) in respect of any obligation arising out of or in connection with the Notes, the Guarantee of the Notes or the transaction documents in relation to the Notes in lieu of the Issuer and the Guarantor. This position has been reinforced by Circular 23, Circular 706 and Circular 666. Given the limited volume of published decisions related to these laws and regulations, their interpretation and enforcement involve uncertainties.

Investments in the Notes are solely reliant on the credit risk of the Issuer and the Guarantor. The PRC government (including but not limited to Xiamen SASAC) has no obligation to pay any amount under the Notes, the Guarantee of the Notes or the transaction documents in relation to the Notes. In the event that the Issuer and/or the Guarantor does not fulfil their respective obligations under the Notes, the Guarantee of the Notes or the transaction documents in relation to the Notes, as the case may be, investors will only be able to claim as unsecured creditors against the Issuer, the Guarantor and their respective assets, and not any other person including but not limited to the PRC government, Xiamen SASAC or any other local or municipal government. Furthermore, ownership or control of the PRC government (including but not limited to Xiamen SASAC) over the Issuer and the Guarantor does not provide assurance on their respective financial condition. A prospective investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate the risks before making an investment decision.

The Notes have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

The Notes will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer, the Guarantor, or the Group. If the Notes are traded at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value.

Although application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Notes on the Hong Kong Stock Exchange, there can be no assurance that such application will be accepted, that the Notes will be so listed and quoted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities

similar to the Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for the Notes.

In addition, one or more initial investors in the Notes may purchase a significant portion of the aggregate principal amount of the Notes pursuant to the offering. The existence of any such significant Noteholder(s) may reduce the liquidity of the Notes in the secondary trading market. Therefore, the liquidity of the Notes will be adversely affected if the Notes are held or allocated to limited investors. Noteholders should note that they may need to hold their Notes until maturity as there may not be an active secondary market for the Notes. None of the Joint Lead Managers is obligated to make a market in the Notes, and if the Joint Lead Managers do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, Noteholders will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to, or exempt from, registration under the Securities Act.

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

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Issuer's, the Guarantor's and the Group's operating revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in prices for comparable companies, could cause the price of the Notes to change. Any such development may result in large and sudden changes in the volume and price at which the Notes will trade. There is no assurance that these developments will not occur in future.

The availability of Renminbi outside the PRC may be limited, which may affect the liquidity of the Notes and the ability of the Issuer or the Guarantor, as the case may be, to source Renminbi outside the PRC to service the Notes or the Guarantee of the Notes, as the case may be.

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

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC, although PBOC has gradually allowed participating banks to access the PRC's onshore interbank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting

from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

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

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC, which may adversely affect the liquidity of the Notes and the remittance of the proceeds of the Notes into the PRC.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies. These transactions are known as current account items. However, remittance of Renminbi into and out of the PRC for settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from or completing specific registrations or filing with the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016, and the PBOC and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC will not be promulgated in the future.

In the event that any regulatory restrictions inhibit the ability of the Issuer or the Guarantor to remit funds out of the PRC to meet its obligations under the Notes or the Guarantee of the Notes, as the case may be, the Issuer or the Guarantor, as the case may be, will need to source Renminbi offshore to finance such obligations under the Notes or the Guarantee of the Notes, as the case may be, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC. In addition, holders of beneficial interests in the Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

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

It may be difficult to effect service of process upon, or to enforce judgments against, the Issuer, the Guarantor or their respective directors or senior management members who reside in the PRC in connection with judgments obtained in non-PRC courts.

Substantially all of the Group's assets and the Group's members are located in the PRC. In addition, substantially all of the assets of the Issuer's and the Guarantor's directors and senior management members may be located within the PRC. Therefore, it may not be possible for investors to effect service of process upon the Issuer, the Guarantor or their respective directors or senior management members inside the PRC.

On 18 January 2019, the Supreme People's Court 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) of Hong Kong, which came into operation on 29 January 2024. In mainland China, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 25 January 2024 (the "**Judicial Interpretation**"). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

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 in mainland China 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 in mainland China consider that the enforcement of such judgment is contrary to the basic principles of PRC law or the social and public interests of the PRC. While it is expected that the relevant people's court in mainland China 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 of law in mainland China and Hong Kong.

In addition, the Terms and Conditions of the Notes, the Trust Deed (as defined in the Terms and Conditions of the Notes) and the Deed of Guarantee (as defined in the Terms and Conditions of the Notes) are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. There can be 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. In order to hear English law governed matters or disputes, Hong Kong courts may also require certain additional procedures to be taken. Compared to other

similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Notes will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holder's ability to initiate a claim outside of Hong Kong will be limited.

Furthermore, the PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions such as the United States, the United Kingdom, most of the other European countries and Japan. Hence, the recognition and enforcement in the PRC of judgment of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

Changes in interest rates may have an adverse effect on the value of the Notes.

The Notes will carry a fixed interest rate. Consequently, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. The Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the value of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the value of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

All payments of interest and principal with respect to the Notes will be made in Renminbi. As a result, the value of these Renminbi payments may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai Interbank Offered Rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

Investment in the Notes is subject to exchange rate risks.

Investment in the Notes is subject to exchange rate risks. The value of Renminbi against the U.S. dollars and other foreign currencies fluctuates and is affected by, among other things, economic, political and other factors over which none of the Issuer, the Guarantor or the Group has control. All payments of interest and principal with respect to the Notes will be made in Renminbi. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. Depreciation of Renminbi against the U.S. dollars or other foreign currencies 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 the U.S. dollars or other foreign currencies. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Notes.

The Notes are redeemable in the event of certain withholding taxes being applicable.

No assurances are made by the Issuer or the Guarantor as to whether or not payments on the Notes may be made without withholding taxes or deductions applying from 8 July 2025 for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or any political subdivision, territory, possession thereof or authority therein having power to tax (the “**Relevant Jurisdiction**”). Although, pursuant to the Terms and Conditions of the Notes, the Issuer or the Guarantor, as the case may be, is required to make gross up payments on account of any such withholding taxes or deductions, the Issuer also has the right to redeem the Notes at any time in the event that it or, as the case may be, the Guarantor has or will become obliged to pay additional tax amounts on account of any existing or future withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or (only where such tax or withholding is in excess of the rate applicable on 8 July 2025) the PRC or any political subdivision, territory, possession thereof or any authority therein having power to tax as a result of any change in, or amendment to, the laws of Hong Kong or the PRC or any regulations or rulings promulgated thereunder, or any change in the application or official interpretation of such laws, rulings or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 8 July 2025.

The Notes and the Guarantee of the Notes will be structurally subordinated to the existing and future indebtedness and other liabilities of the Issuer’s and the Guarantor’s existing and future subsidiaries, other than the Issuer, and effectively subordinated to the Issuer’s and the Guarantor’s secured debt to the extent of the value of the collateral securing such indebtedness.

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

The Notes and the Guarantee of the Notes are the Issuer's and the Guarantor's unsecured obligations, respectively, and will (i) at all times rank at least *pari passu* in right of payment with all of the Issuer's and the Guarantor's other present and future unsecured indebtedness other than any such indebtedness preferred by law; (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's and the Guarantor's present and future subordinated obligations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, re-organisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders rateably with all of the Issuer's or the Guarantor's other unsecured creditors, including trade creditors. If there are not sufficient assets remaining to pay all such creditors, then all or a portion of the Notes then outstanding would remain unpaid.

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

As the Issuer and the Guarantor are incorporated under the laws of Hong Kong (the Issuer) and the PRC (the Guarantor), respectively, any insolvency proceeding relating to the Issuer and the Guarantor, even if brought in other jurisdictions, would likely involve Hong Kong and the 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 Noteholders are familiar.

If the Issuer and/or the Guarantor and/or their respective subsidiaries are unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could cause repayment of their respective debt to be accelerated.

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

could obtain alternative financing, they cannot assure Noteholders that it would be on terms that are favourable or acceptable to such Noteholders.

The Group may issue additional Notes in the future.

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the timing to perform and complete the Cross-Border Security Registration and the filing to NDRC) so as to form a single series with the Notes. The Issuer may from time to time, create and issue other series of notes having the benefit of the Trust Deed and the Deed of Guarantee, provided that such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. See *“Terms and Conditions of the Notes – Further Issues”*. In addition, the Issuer, the Guarantor and/or other members of the Group may also raise additional capital through such other means and in such other manner as the Issuer, the Guarantor or the relevant member of the Group may consider necessary. There can be no assurance that any such future issuance or capital raising activity will not adversely affect the market price of the Notes.

Income or gains from the Notes may be subject to income tax or value added tax (“VAT”) under PRC tax laws.

The Issuer is incorporated under the laws of Hong Kong. Pursuant to the Enterprise Income Tax Law of the PRC (the **“EIT Law”**) and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose “de facto management bodies” are within the PRC are treated as PRC tax resident enterprises for the purposes of the EIT Law. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purposes of the EIT Law and income or gains paid with respect to the Notes may be considered to be derived from sources within the PRC.

Under the EIT Law and its implementation rules, any income or gains realised by non-resident enterprises may be subject to PRC enterprise income tax if such income or gains are regarded as 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 the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, interest paid on the Notes may be considered to be PRC-sourced, in which case, the Issuer would be required to withhold income tax at a rate of 10 per cent. from payments of interest in respect of the Notes to any non-resident enterprise holders. Any capital gain realised by a non-resident enterprise from the transfer of the Notes may be regarded as being derived from sources within the PRC and, accordingly, may be subject to a PRC tax of up to 10 per cent. if the Issuer is treated as a PRC tax resident. Pursuant to the Individual Income Tax Law of the PRC and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise, the Issuer may be obliged to withhold such individual income tax on payments of interests to non-resident individual Noteholders. Any

capital gain realised by a non-resident individual holder from transfer of the Notes may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. if the Issuer is a PRC tax resident enterprise. 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 between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “**Arrangement**”), which was promulgated on 21 August 2006, 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 Ministry of Finance and the SAT issued the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Programme of Replacing Business Tax with Value-Added Tax in an All-round Manner (財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知) (“**Circular 36**”), which introduced a new VAT from 1 May 2016. VAT is applicable where the entities or individuals provide services within the PRC. VAT is unlikely to apply to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to apply to gains realised upon such transfers, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. However, Circular 36 and 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 VAT 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.

The Notes will be evidenced by the Global Note Certificate and holders of a beneficial interest in the Global Note Certificate must rely on the procedures of the CMU.

Upon issue, the Notes will be evidenced by the Global Note Certificate, which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator of the CMU. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in the Global Note Certificate, individual Note Certificates will not be issued in exchange for interests in the Global Note Certificate. The CMU will maintain records of the beneficial interests in the Global Note Certificate. So long as the Notes are evidenced by the Global Note Certificate, investors will be able to trade their beneficial interests only through the CMU.

So long as any of the Notes are evidenced by the Global Note Certificate and the Global Note Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each accountholder at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business. Any payments by the CMU participants to indirect participants will be governed by

arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Noteholders, the Issuer, the Guarantor, the CMU participants, accountholders, the indirect participants or any other person in respect of any such payment.

A holder of a beneficial interest in the Global Note Certificate must rely on the procedures of the CMU to receive payments under the Notes. None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note 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 CMU to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Note Certificate will not have a direct right under the Global Note Certificate to take enforcement action against the Issuer or the Guarantor in the event of a default under the Notes but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that a definitive Note Certificate (as defined in the Terms and Conditions of the Notes) which has a principal amount that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

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

The Trustee may request the Noteholders to 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 and the Guarantor pursuant to Condition 8 of the Terms and Conditions of the Notes and taking enforcement steps pursuant to Condition 13 of the Terms and Conditions of the Notes, 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 actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security

and/or prefunding can be a lengthy process and may impact on when such 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 or the Terms and Conditions of the Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable laws and regulations, it will be for the Noteholders to take such actions directly.

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

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders 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 Noteholders may be adverse to the interests of individual Noteholders.

The rating assigned to the Notes and the Guarantor may be revised, qualified, suspended, reduced or withdrawn at any time.

The Notes are expected to be rated “Ag-” by CCCXAP and “A-” by Lianhe Global. The Guarantor has been assigned “A_g-” long term credit rating with Positive Outlook by CCXAP and “A-” global scale long-term issuer credit rating with Positive Outlook by Lianhe Global. A rating represents only the opinion of the relevant rating agency and its assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Notes and the Guarantee and the credit risks in determining the likelihood that payments will be made when due under the Notes and/or the Guarantee of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, qualification, suspension, reduction or withdrawal at any time by the relevant rating agency. The significance of each rating should be analysed independently from any other rating. There can be no assurance that a rating will remain for any given period of time or that a rating will not be revised, qualified, suspended, reduced or withdrawn by the relevant rating agency if in its judgment circumstances in the future so warrant. None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them is not obligated to inform Noteholders if any rating is revised, qualified, suspended, reduced or withdrawn. A revision, qualification, suspension, reduction or withdrawal of any rating assigned to the Notes or the Guarantor may adversely affect the market price of the Notes.

Modifications and waivers may be made in respect of the Terms and Conditions of the Notes and the Trust Deed by the Trustee or less than all of the Noteholders, and decisions may be made on behalf of all Noteholders that may be adverse to the interests of individual Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of the Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including those Noteholders who did not attend and vote at the relevant meeting and those Noteholders who voted in a manner contrary to the

majority. There is a risk that the decision of the majority of Noteholders may be adverse to the interests of individual Noteholders.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to any modification of the Trust Deed, the Terms and Conditions of the Notes and/or the Guarantee of the Notes (other than in respect of a Reserved Matter) which in the opinion of the Trustee will not be materially prejudicial to the interests of the Noteholders and to any modification of the Trust Deed, the Terms and Conditions of the Notes and/or the Guarantee of the Notes which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may (but shall not be obliged to) without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes, the Trust Deed or the Guarantee of the Notes (other than a proposed breach, or a breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

The Issuer and the Guarantor will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange, which standards may be different from those applicable to companies in certain other countries.

The Issuer and the Guarantor will be subject to reporting obligations in respect of the Notes to be listed on the Hong Kong Stock Exchange. The disclosure standards imposed by the Hong Kong Stock Exchange may be different from those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to that to which investors in the Notes are accustomed.

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

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Notes is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. For further information about certain global economic events, please see “– *Risks relating to the Group and its Business – The Group's businesses may be affected by global economic developments*” for further information. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Notes being issued as “sustainability notes” may not be a suitable investment for all investors seeking exposure to green, social, sustainability or other equivalently-labelled assets.

The Group 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 Group has received from CCX Green Finance International Limited (“**CCXGFI**”) an independent opinion (the “**Second Party Opinion**”) confirming that the Sustainability Finance Framework is in compliance with the Green Bond Principles 2025 (with June 2022 Appendix I) issued by the International Capital Market Association (the “**ICMA Green Bond Principles**”), the Social Bond Principles 2025 issued by the International Capital Market Association (the “**ICMA Social Bond Principles**”), the Sustainability Bond Guidelines 2021 issued by the International Capital Market Association (the “**ICMA Sustainability Bond Guidelines**”), the Green Loan Principles 2025 issued by the Loan Market Association (the “**Green Loan Principles**”) and the Social Loan Principles 2025 issued by the Loan Market Association (the “**Social Loan Principles**”, together with the ICMA Green Bond Principles, the ICMA Social Bond Principles, the ICMA Sustainability Bond Guidelines and the Green Loan Principles, the “**Principles and Guidelines**”, each as updated by the relevant association from time to time). The Principles and Guidelines are sets of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the sustainability bonds and sustainability loans market.

The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in the Notes, including, without limitation, market price, marketability, investor preference or suitability of any security, as the case may be. The Second Party Opinion is not incorporated into, or is intended to form part of, this Offering Circular. None of the Issuer, the Guarantor, the Group or the Joint Lead Managers makes any representation as to the suitability of the Second Party Opinion. The Second Party Opinion (including the section entitled “*Sustainability Finance Framework*” in this Offering Circular) is 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 Opinion was initially issued, and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Any second party opinion provider and providers of similar opinions, certifications and validations are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, certification or validation is not, nor should be deemed to be, a recommendation by the Issuer, the Guarantor, the Group, the Sole Sustainability Structure Adviser, the Joint Lead Managers, the Trustee, the Agents, the provider of such opinion, certification or validation or any other person or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them to buy, sell or hold the Notes. Noteholders have no recourse against the Sole Sustainability Structure Adviser, the Joint Lead Managers, the Trustee, the Agents, the provider of such opinion, certification or validation or any other person or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them for the contents of such opinion, certification or validation, which is only current as at the date it was initially issued and is subject to certain disclaimers set out therein.

Furthermore, the Second Party Opinion is for information purpose only and none of the Issuer, the Guarantor, the Group, the Sole Sustainability Structure Adviser, the Joint Lead Managers, the Trustee, the Agents or the Second Party Opinion provider, or any other person or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them, (i) makes any representation or gives any assurance as to the suitability for any purpose of the Second Party Opinion or (ii) accepts any form of liability for the substance of the Second Party Opinion and/or any liability for loss arising from the use of

the Second Party Opinion and/or the information provided in them. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in the Notes. A withdrawal of the Second Party Opinion may have a material adverse effect on the value and/or trading price of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

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

Whilst the Issuer and the Guarantor have agreed to certain obligations relating to reporting and 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 if (i) the Issuer or the Guarantor were to fail to comply with such obligations or were to fail to use the net proceeds of the issue of the Notes in the manner specified in this Offering Circular and/or (ii) the Second Party Opinion issued in connection with such Notes was to be withdrawn. Any failure to use the net proceeds of the issue of the Notes in connection with Eligible Green Projects and/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 green, social, sustainability or other equivalently-labelled projects. In the event that the Notes are included in any dedicated green, social, sustainability or other equivalently-labelled index, no representation or assurance is given by the Issuer, the Guarantor, the Group, the Sole Sustainability Structure Adviser, the Joint Lead Managers, the Trustee, the Agents or the Second Party Opinion provider, or any other person or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them, 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, the Guarantor, the Group, the Sole Sustainability Structure Adviser, the Joint Lead Managers, the Trustee, the Agents or the Second Party Opinion provider, or any other person or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them, makes any representation or gives any

assurance 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*”, (iii) the characteristics of Eligible Green Projects and/or Eligible Social Projects, including their relevant environmental and sustainability criteria or (iv) the suitability for any purpose of the Second Party Opinion and/or any other opinion, certification or validation issued in connection with the Notes. Each potential investor of the Notes should have regard to the relevant projects and eligibility criteria described under the section titled “*Sustainability Finance Framework*”. Each prospective 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.

CAPITALISATION AND INDEBTEDNESS

CAPITALISATION AND INDEBTEDNESS OF THE ISSUER

The following table sets forth the Issuer's capitalisation and indebtedness as at 31 December 2024 on an actual basis and on an adjusted basis after giving effect to the issuance of the Notes prior to deducting the commissions and other estimated expenses payable by the Issuer in connection with this offering. The following table should be read in conjunction with the Issuer's financial statements and related notes included in this Offering Circular.

	As at 31 December 2024	
	Actual	As adjusted
	U.S.\$	U.S.\$
	(in millions)	
Guaranteed notes	495	495
Other borrowings	392	392
Notes to be issued ⁽¹⁾	—	479
Total indebtedness	887	1,366
Share capital	10	10
Retained earnings	76	76
Total shareholders' funds	86	86
Total capitalisation ⁽²⁾	973	1,452

Notes:

- (1) The aggregate principal amount of the Notes to be issued (before deducting the offering discount or premium (if any), commissions and other estimated expenses payable in connection with the offering of the Notes) has been converted into U.S. dollars at the rate of CNY7.2993 to U.S.\$1.00 based on the noon buying rate in effect on 31 December 2024 as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System of the United States. Such translation is provided solely for reference purposes and no representation is made that the U.S. dollar amounts referred to herein have been, could have been or could be converted into Renminbi, or *vice versa*, at any particular rate or at all.
- (2) Total capitalisation equals total indebtedness and total shareholder's funds.

After the completion of this offering, the Issuer may incur additional debt or borrowings in the ordinary course of business. Except as otherwise disclosed in this Offering Circular, there has been no material adverse change in the Issuer's capitalisation and indebtedness since 31 December 2024.

CAPITALISATION AND INDEBTEDNESS OF THE GUARANTOR

The following table sets forth the Guarantor's consolidated capitalisation and indebtedness as at 31 December 2024 on an actual basis and on an adjusted basis after giving effect to the issuance of the Notes prior to deducting the commissions and other estimated expenses payable by the Issuer in connection with this offering. The following table should be read in conjunction with the Guarantor's consolidated financial statements and related notes included in this Offering Circular.

	As at 31 December 2024	
	Actual	As adjusted
	RMB	RMB
	(in millions)	
Current indebtedness		
Short-term borrowings	56,878	56,878
Non-current liabilities maturing within one year	21,523	21,523
Other current liabilities	20,350	20,350
Total current indebtedness	98,751	98,751
Non-current indebtedness		
Lease liabilities	823	823
Long-term payables	949	949
Long-term borrowings	30,686	30,686
Bonds payable	11,051	11,051
Notes to be issued ⁽¹⁾	–	3,500
Total non-current indebtedness	43,509	47,009
Total indebtedness⁽²⁾	142,260	145,760
Total shareholders' equity	88,270	88,270
Total capitalisation⁽³⁾	230,530	234,030

Notes:

- (1) The amount represents the aggregate principal amount of the Notes to be issued, before deducting the offering discount or premium (if any), commissions and other estimated expenses payable in connection with the offering of the Notes.
- (2) Total indebtedness represents the sum of current indebtedness and non-current indebtedness.
- (3) Total capitalisation equals total indebtedness and total shareholder's equity.

Since 31 December 2024, the Group has continued utilising external financing in the ordinary course of business to finance its operation. As at the date of this Offering Circular, the Group's outstanding debt financing instruments issued amounted to approximately RMB42.6 billion, the Group's outstanding corporate bonds amounted to approximately RMB15.3 billion, the Group's outstanding asset-backed securities amounted to approximately RMB1.8 billion and the Group's outstanding offshore bonds amounted to U.S.\$490 million. The Group may, from time to time, enter into bank loans and other financing arrangement and issue debt securities in the capital

market in the ordinary course of business to finance its operations and to refinance existing debt. The Guarantor plans to issue medium-term notes in the domestic capital market in the PRC in mid-July 2025, with an aggregate principal amount of not more than CNY3 billion.

In addition, the Group recorded increases in, among others, short-term borrowings, long-term borrowings and bonds payable, as at 31 March 2025 as compared with 31 March 2024. See *“Description of the Group – Recent Development – Financial information as at and for the three months ended 31 March 2025”* for further information.

Except as otherwise disclosed in this Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group since 31 December 2024.

USE OF PROCEEDS

The gross proceeds from this offering will be CNY3,500,000,000. The Group intends to use the proceeds from this offering for repayment of existing offshore indebtedness in accordance with the Sustainability Finance Framework.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (as defined below) which (subject to modification and except for the paragraphs in italics) will be endorsed on the Note Certificates (as defined below) issued in respect of the Notes.

The CNY3,500,000,000 3.15 per cent. Guaranteed Sustainability Notes due 2028 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 14 and consolidated and forming a single series therewith) of HONGKONG XIANGYU INVESTMENT CO., LIMITED (香港象嶼投資有限公司) (the “**Issuer**”) are constituted by, are subject to, and have the benefit of, a trust deed dated 15 July 2025 (as amended, restated, replaced or supplemented from time to time, the “**Trust Deed**”) between the Issuer, XMXYG Corporation (廈門象嶼集團有限公司) (the “**Guarantor**”) and China CITIC Bank International Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of (a) a deed of guarantee dated 15 July 2025 (as amended, restated, replaced or supplemented from time to time, the “**Deed of Guarantee**”) entered into by the Guarantor and the Trustee and (b) an agency agreement dated 15 July 2025 (as amended, restated, replaced or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Guarantor, the Trustee, China CITIC Bank International Limited as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), as CMU lodging and paying agent (the “**CMU Lodging and Paying Agent**”, which expression includes any successor CMU lodging and paying agent appointed from time to time in connection with the Notes), as transfer agent (the “**Transfer Agent**”, which expression includes any successor or additional transfer agent(s) appointed from time to time in connection with the Notes), as paying agent (together with the CMU Lodging and Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agent(s) appointed from time to time in connection with the Notes) and any other Agents (as defined below) appointed thereunder. References herein to the “**Agents**” are to the Registrar, the CMU Lodging and Paying Agent, the Transfer Agent(s) and the other Paying Agents and any reference to an “**Agent**” is to any one of them. Certain provisions of these terms and conditions (these “**Conditions**”) are summaries of the Deed of Guarantee, the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed of Guarantee, the Trust Deed and the Agency Agreement applicable to them. For so long as any Note is outstanding, copies of the Deed of Guarantee, the Trust Deed and the Agency Agreement are available for inspection by Noteholders at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the principal office of the Trustee (being at the Issue Date (as defined below) at 80/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong) and at the Specified Office for the time being of the CMU Lodging and Paying Agent, following prior written request and provision of proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the CMU Lodging and Paying Agent. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 FORM, DENOMINATION, STATUS AND GUARANTEE

- (a) **Form and Denomination:** The Notes are in registered form in the specified denominations of CNY1,000,000 and in integral multiples of CNY10,000 in excess thereof (each, an “**Authorised Denomination**”).
- (b) **Status of the Notes:** The Notes constitute direct, general, unsubordinated, unconditional and (subject to Condition 3(a)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured, unconditional and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (c) **Guarantee of the Notes:** The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the “**Guarantee of the Notes**”) constitutes direct, general, unsubordinated, unconditional and (subject to Condition 3(a)) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured, unconditional and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

*Upon issue, the Notes will be evidenced by a global note certificate (the “**Global Note Certificate**”) substantially in the form scheduled to the Trust Deed. The Global Note Certificate will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator (the “**Operator**”) of the Central Moneymarkets Unit Service (the “**CMU**”). These Conditions are modified by certain provisions contained in the Global Note Certificate while any of the Notes are evidenced by the Global Note Certificate. See “Summary of Provisions relating to the Notes in Global Form”.*

*For so long as any of the Notes are evidenced by the Global Note Certificate, each person who is for the time being shown in the records of the Operator as the holder of a particular principal amount of Notes (the “**accountholder**”) (in which regard any certificate or other document issued by the Operator as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Agents and the Operator as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal, premium (if any) or interest on the Notes, the right to which shall be vested, as against the Issuer, the Guarantor, the Agents and the Operator solely in the registered holder of the Global Note Certificate in accordance with and subject to its terms (and the expressions “**Noteholder**” and (in respect of any Note) “**Holder**” and related expressions shall be construed accordingly).*

Notwithstanding the above, if the Global Note Certificate is held by or on behalf of the CMU, any payments that are made in respect of the Notes evidenced by the Global Note Certificate shall be made by the CMU to the respective accountholders and such payments shall discharge the obligation of the Issuer in respect of that payment. For these purposes, a notification from the CMU shall be conclusive evidence of the records of the CMU (save in the case of manifest error).

2 REGISTER, TITLE AND TRANSFERS

- (a) Register:** The Registrar will maintain a register in respect of the Notes (the “**Register**”) to be kept at its Specified Office in accordance with the provisions of the Agency Agreement, on which shall be entered the names and addresses of the Noteholders and the particulars of the Notes held by them and of all transfers of the Notes. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register and each Note Certificate shall evidence the entire holding of Notes by the same Noteholder.
- (b) Title:** Title to the Notes shall pass by transfer and registration in the Register. The Holder of each Note shall (except as order by a court of competent jurisdiction or as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous destruction, loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes, the Deed of Guarantee or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.
- (c) Transfers:** Subject to the Agency Agreement and Conditions 2(f) and 2(g), a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes evidenced by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor. In the case of a transfer of the Notes to a person who is already a holder of the Notes, a new Note Certificate evidencing the enlarged

holding shall only be issued against surrender of the Note Certificate evidencing the existing holding. No transfer of title of a Note will be valid unless and until registered in the Register.

Transfers of interests in the Notes evidenced by the Global Note Certificate will be effected through the records of the CMU (or any other clearing system (an “Alternative Clearing System”)) and their respective participants in accordance with the rules and procedures of the CMU (or any Alternative Clearing System) and their respective direct and indirect participants.

- (d) **Registration and Delivery of Note Certificates:** Within seven business days of the receipt of a duly completed form of transfer and the surrender of a Note Certificate in accordance with Condition 2(c), the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 2(d), “**business day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks are open for general business (including dealings in Renminbi) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

Except in the limited circumstances described in the Global Note Certificate, owners of interests in the Notes will not be entitled to receive physical delivery of individual Note Certificates. The Notes are not issuable in bearer form.

- (e) **No Charge:** The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Guarantor, the Registrar or any Transfer Agent but upon (i) payment by the relevant Noteholder (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require) of any tax, government charges or other duty of whatsoever nature which may be levied or imposed in connection with such transfer, (ii) the Registrar or the relevant Transfer Agent being satisfied in its sole and absolute discretion with the documents of title or identity of the person making the application and (iii) the relevant Agent being satisfied that the relevant regulations have been complied with.
- (f) **Closed Periods:** Noteholders may not require transfers to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, premium (if any) or interest in respect of the Notes, (ii) during the period of 15 days ending on (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(b) and (iii) after a Put Exercise Notice (as defined in Condition 5(c)) has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c).

- (g) **Regulations Concerning Transfers and Registration:** All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available for inspection by the Registrar to any Noteholder upon prior written request and satisfactory proof of holding.

3 COVENANTS

- (a) **Negative Pledge:** So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of the other Subsidiaries of the Guarantor will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of Relevant Indebtedness without at the same time or prior thereto (i) securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

(b) **Registration with SAFE:**

- (i) The Guarantor undertakes to register or cause to be registered with SAFE the Deed of Guarantee within 15 PRC Business Days after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) and the Operational Guidelines on the Foreign Exchange Administration of Cross-border Guarantees (跨境擔保外匯管理操作指引) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the “**Cross-Border Security Registration**”). The Guarantor shall use all its reasonable endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee of the Notes; and
- (ii) the Guarantor shall within 10 PRC Business Days after receipt of the registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) provide the Trustee with a certificate substantially in the form set out in the Trust Deed signed by any Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the completion of the Cross-Border Security Registration and give notice to the Noteholders substantially in the form set out in the Trust Deed in accordance with Condition 15 of the same.

The Trustee and the Agents shall have no obligation or duty to monitor, assist with or ensure the filing or completion of the Cross-Border Security Registration on or before the Registration Deadline or to verify the accuracy, validity, completeness and/or genuineness of any certificate, confirmation or other document in relation to or in connection with the Cross-Border Security Registration or the accuracy or completeness of the translation into English of any such certificate, confirmation or other document or to give notice to the Noteholders confirming the completion of the Cross-Border Security Registration, and the Trustee shall not be liable to Noteholders or any other person for not doing so.

(c) **Undertakings relating to NDRC:** The Guarantor undertakes to file or cause to be filed with the National Development and Reform Commission of the PRC (“NDRC”) the requisite information and documents within the prescribed timeframe after the Issue Date in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt 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)) (“**Order 56**”) issued by NDRC and effective as of 10 February 2023, and any implementation rules, reports, certificates, approvals or guidance as issued by NDRC from time to time (the “**NDRC Post-issue Filing**”) and shall comply with all applicable PRC laws and regulations in connection with the Notes. The Guarantor shall within 10 PRC Business Days after submission of such NDRC Post-issue Filing (i) provide the Trustee with a certificate substantially in the form set out in the Trust Deed signed by any Authorised Signatory of the Guarantor confirming the submission of the NDRC Post-issue Filing, together with any document(s) (if any) evidencing due filing with NDRC, and certifying such document(s) (if any) to be a true copy of the original and (ii) give notice to the Noteholders substantially in the form set out in the Trust Deed in accordance with Condition 15 of the same. The Trustee and the Agents shall have no obligation or duty to monitor, assist with or ensure the filing or completion of the NDRC Post-issue Filing on or before the deadline referred to above or to verify the accuracy, validity, completeness and/or genuineness of any certificate, confirmation or other document in relation to or in connection with the NDRC Post-issue Filing or the accuracy or completeness of the translation into English of any such certificate, confirmation or other document or to give notice to the Noteholders confirming the completion of the NDRC Post-issue Filing, and the Trustee shall not be liable to Noteholders or any other person for not doing so.

(d) **Financial Statements:** So long as any Note remains outstanding:

- (i) the Issuer shall provide (A) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) within 14 days of a request by the Trustee and at the time of the provision of the Issuer Audited Financial Reports, (B) as soon as practicable after their date of publication and in any event not more than 180 days after the end of each Relevant Period, a copy of the Issuer Audited Financial Reports (audited by an internationally or nationally recognised firm of independent accountants of good repute) prepared and presented in accordance with HKFRS and (C) as soon as

practicable after their date of publication and in any event not more than 120 days after the end of each Relevant Period, a copy of the Issuer Unaudited Financial Reports prepared and presented on a basis consistent with the Issuer Audited Financial Reports, and if any such financial reports referred to in this Condition 3(d)(i) shall be in the Chinese language, together with an English translation of the same translated by (x) an internationally or nationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by an internationally or nationally recognised firm of independent accountants of good repute, together with a certificate in English substantially in the form set out in the Trust Deed signed by any Authorised Signatory of the Issuer certifying that such translation is complete and accurate (and the Trustee shall be entitled to assume that each such English translation is a complete and accurate translation of the original, and may rely conclusively on each such report, translation or certificate without liability to the Issuer, the Guarantor, any Noteholder, the Agents or any other person); *provided that*, if at any time the capital stock of the Issuer is listed for trading on a recognised stock exchange, the Issuer may furnish to the Trustee, as soon as they are available but in any event not more than 14 days after any financial reports of the Issuer is filed with the exchange on which the Issuer's capital stock is at such time listed for trading, copies of such financial report filed with such exchange in lieu of the reports identified in this Condition 3(d)(i) (and if the same are not in the English language, together with an English translation of the same translated by (x) an internationally or nationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by an internationally or nationally recognised firm of independent accountants of good repute, together with a certificate in English substantially in the form set out in the Trust Deed signed by any Authorised Signatory of the Issuer certifying that such translation is complete and accurate), and the Trustee shall be entitled to assume that each such English translation is a complete and accurate translation of the original, and may rely conclusively on each such report, translation or certificate without liability to the Issuer, the Guarantor, any Noteholder, the Agents or any other person; and

- (ii) the Guarantor shall provide (A) a Compliance Certificate (on which the Trustee may rely as to such compliance) within 14 days of a request by the Trustee and at the time of the provision of the Guarantor Audited Financial Reports, (B) as soon as practicable after their date of publication and in any event not more than 180 days after the end of each Relevant Period, a copy of the Guarantor Audited Financial Reports (audited by a nationally recognised firm of independent accountants of good repute) prepared and presented in accordance with PRC Accounting Standards and (C) as soon as practicable after their date of publication and in any event not more than 120 days after the end of each Relevant Period, a copy of the Guarantor Unaudited Financial Reports prepared and presented on a basis consistent

with the Guarantor Audited Financial Reports, and if any such financial reports referred to in this Condition 3(d)(ii) shall be in the Chinese language, together with an English translation of the same translated by (x) a nationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by a nationally recognised firm of independent accountants of good repute, together with a certificate in English substantially in the form set out in the Trust Deed signed by any Authorised Signatory of the Guarantor certifying that such translation is complete and accurate. The Trustee may conclusively rely on such certificates, shall not be responsible for checking or verifying any such translation and may rely conclusively on the same as being a complete and accurate translation of the original, and shall not be liable to the Issuer, Guarantor, any Noteholder, the Agents or any other person for doing so.

(e) In these Conditions:

“Compliance Certificate” means a certificate in English of each of the Issuer and the Guarantor signed by any Authorised Signatory of the Issuer or the Guarantor, as the case may be, certifying that, to the best of the knowledge, information and belief of the Issuer or the Guarantor, as the case may be, 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 8) or an event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 8, become an Event of Default, 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) each of the Issuer and the Guarantor has complied with all its respective obligations under the Deed of Guarantee, the Trust Deed and the Notes or, if any non-compliance had occurred, giving details of it;

“Guarantor Audited Financial Reports” means the annual audited consolidated balance sheet, income statement, cash flow statement of the Guarantor and its consolidated Subsidiaries and statement of changes in owners’ equity of the Guarantor together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them;

“Guarantor Unaudited Financial Reports” means the interim unaudited and unreviewed consolidated balance sheet, income statement, cash flow statement of the Guarantor and its consolidated Subsidiaries and statements of changes in owners’ equity of the Guarantor together with any statements, reports (including any directors’ and auditors’ reports, if any) and notes attached to or intended to be read with any of them, if any;

“HKFRS” means the Hong Kong Financial Reporting Standards;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Issue Date**” means 15 July 2025;

“**Issuer Audited Financial Reports**” means the annual audited consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows of the Issuer and its consolidated Subsidiaries and statements of changes in equity of the Issuer together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them;

“**Issuer Unaudited Financial Reports**” means the interim unaudited and unreviewed consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows of the Issuer and its consolidated Subsidiaries and statements of changes in equity of the Issuer together with any statements, reports (including any directors’ and auditors’ reports, if any) and notes attached to or intended to be read with any of them, if any;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**PRC**” means the People’s Republic of China, which, solely for the purposes of these Conditions, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;

“**PRC Accounting Standards**” means the Accounting Standards for Business Enterprises and other specific standards issued by the Ministry of Finance of the PRC, and all applicable guidance, bulletins and other relevant accounting regulations issued thereafter, as amended from time to time;

“**PRC Business Day**” means a day on which banks in Beijing, the PRC are not authorised or obliged by law or executive order to be closed;

“**Registration Deadline**” means the day falling 120 PRC Business Days after the Issue Date;

“**Relevant Indebtedness**” means, in the case of the Issuer, the Guarantor and the other Subsidiaries of the Guarantor, any indebtedness arising or incurred outside of the PRC which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“Relevant Period” means (i) in relation to the Issuer Audited Financial Reports and the Guarantor Audited Financial Reports, each period of twelve months ending on the last day of the Issuer’s or, as the case may be, the Guarantor’s financial year (being, as of the Issue Date, 31 December of that financial year) and (ii) in relation to the Issuer’s Unaudited Financial Reports and the Guarantor’s Unaudited Financial Reports, each period of six months ending on the last day of the Issuer’s or, as the case may be, the Guarantor’s first half financial year (being, as of the Issue Date, 30 June of that financial year);

“SAFE” means the State Administration of Foreign Exchange of the PRC or its local counterparts;

“Security Interest” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“Specified Office” means, in relation to any Agent, either the office identified with its name in the Agency Agreement or any other office notified to any relevant parties pursuant to the Agency Agreement; and

“Subsidiary” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (i) whom the first 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) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4 INTEREST

The Notes bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.15 per cent. per annum, payable semi-annually in arrears on 15 January and 15 July in each year (each, an **“Interest Payment Date”**), subject as provided in Condition 6, commencing on 15 January 2026. If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation of the Note Certificate evidencing such Note, payment of principal or premium (if any) is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the CMU Lodging and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

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

Interest in respect of any Note shall be calculated per CNY10,000 in principal amount of the Notes (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the actual number of days in the Interest Period (or such other period) divided by 365, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

In this Condition 4, “**Business Day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong.

5 REDEMPTION AND PURCHASE

- (a) **Scheduled Redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to, 15 July 2028, subject as provided in Condition 6.
- (b) **Redemption for Tax Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued to (but not including) the date fixed for redemption, if, immediately before giving such notice, the Issuer and/or the Guarantor (as the case may be) satisfies the Trustee that:
 - (i) (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Hong Kong, the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a

holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 8 July 2025 and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7, as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 8 July 2025 and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor (as the case may be) would be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer (or, if the Guarantee were called, the Guarantor) shall deliver or procure that there is delivered to the Trustee:

- (x) a certificate in English signed by any Authorised Signatory of the Issuer stating that the circumstances referred to in Condition 5(b)(i) prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by any Authorised Signatory of the Guarantor stating that the circumstances referred to in Condition 5(b)(ii) prevail and setting out details of such circumstances; and
- (y) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled (but shall not be obligated) to accept and rely conclusively upon such certificate and opinion (without further investigation or enquiry and without liability to the Issuer, the Guarantor, the Noteholders, the Agents or any other person) as sufficient evidence of the satisfaction of the circumstances set out in Condition 5(b)(i) or (as the case may be) Condition 5(b)(ii), in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice period as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) **Redemption for Relevant Event:** At any time following the occurrence of a Relevant Event, each Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date at 101 per cent. of their principal amount (in the case of a Change of Control) or 100 per cent. of their principal amount (in the case of a Non-Registration Event), in each case together with accrued interest to (but not including) such Put Settlement Date. To exercise such right, the Noteholder must 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 (a "**Put Exercise Notice**"), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 15. The "**Put Settlement Date**" shall be the 14th day after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Exercise Notices delivered as aforesaid.

The Issuer shall give notice to Noteholders in accordance with Condition 15 and to the Trustee and the CMU Lodging and Paying Agent in writing by not later than fourteen days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Condition 5(c).

In this Condition 5(c):

a "**Change of Control**" occurs when:

- (i) the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or
- (ii) Xiamen SASAC ceases to, directly or indirectly, have Control of the Guarantor;

"**Control**" means, with respect to a Person (where applicable) the ownership, acquisition or control of the Relevant Percentage of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly and the terms "**Controlling**" and "**Controlled**" have meanings correlative to the foregoing;

"**Xiamen SASAC**" means State-owned Assets Supervision and Administration Commission of Xiamen Government (廈門市人民政府國有資產監督管理委員會);

a "**Non-Registration Event**" occurs when the Registration Condition has not been satisfied on or prior to the Registration Deadline;

“Registration Condition” means the receipt of the certificate referred to in Condition 3(b) and the relevant document evidencing the completion of the Cross Border Security Registration by the Trustee and the publication of the notice to Noteholders within 10 PRC Business Days after the completion of the Cross Border Security Registration;

a **“Relevant Event”** means a Change of Control or a Non-Registration Event; and

“Relevant Percentage” means in the case of Control of any Person or Persons acting together, at least 50 per cent. of the voting rights of the issued share capital of such Person or Persons.

So long as the Notes are evidenced by the Global Note Certificate, the right of Noteholders to redemption of the Notes following the occurrence of a Relevant Event will be effected in accordance with the rules and procedures for the time being of the Operator.

- (d) **No Other Redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 5(a) to 5(c). All Notes in respect of which any notice of redemption is given under this Condition 5 shall be redeemed on the date, in such place and in such manner as specified in such notice. If there is more than one notice of redemption given in respect of any Note (which shall include any notice given by the Issuer pursuant to Condition 5(b) and any Put Exercise Notice given by a Noteholder pursuant to Condition 5(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.
- (e) **Purchase:** The Issuer, the Guarantor or any of the other Subsidiaries of the Guarantor may at any time purchase Notes in the open market or otherwise and at any price. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the Noteholder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8, 12(a) and 13.
- (f) **Cancellation:** All Note Certificates evidencing Notes so redeemed or purchased by the Issuer, the Guarantor or any of the other Subsidiaries of the Guarantor shall be cancelled and may not be reissued or resold.
- (g) **Calculations:** Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Noteholders or any other person for not doing so.

- (h) **No Duty to Monitor:** The Trustee and each Agent shall not be obliged to take any steps to ascertain compliance with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions or whether a Change of Control, Potential Event of Default (as defined in the Trust Deed) or Event of Default has occurred or to monitor the occurrence of any Change of Control, Relevant Event, No Registration Event, Potential Event of Default or Event of Default, and shall not be liable to the Issuer, the Guarantor, the Noteholders or any other person for not doing so.

6 PAYMENTS

- (a) **Principal:** Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Note Certificates at the Specified Office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Notes evidenced by such Note Certificates) in the manner provided in Condition 6(b).
- (b) **Interest:** Payments of interest shall be made in Renminbi by wire transfer to the registered account of the Noteholder. For the purposes of this Condition 6, a Noteholder's "**registered account**" means the Renminbi denominated account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the Record Date.
- (c) **Payments Subject to Fiscal Laws:** All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) **Payments on Business Days:** Where payment is to be made by transfer to a Renminbi account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated on the due date for payment (or, if that date is not a business day, on the first following day which is a business day), or, in the case of payments of principal and premium (if any) where the relevant Note Certificate is required to be but has not been surrendered at the Specified Office of any Transfer Agent or of the Registrar, on the first business day on which the CMU Lodging and Paying Agent is open for business and on or following which the relevant Note Certificate is surrendered. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a business day or (ii) if the Holder of a Note is late in surrendering or cannot surrender its Note Certificate (if required to do so). In this Condition 6(d), "**business day**" means any day other than a Saturday, Sunday or public holiday on which the CMU is operating and commercial

banks are generally open for business and settlement of Renminbi payments in Hong Kong and Beijing and, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).

- (e) **Partial Payments:** If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) **Record Date:** Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Specified Office of the Registrar on the fifteenth day before the due date for such payment (the “**Record Date**”).

*Notwithstanding the foregoing, so long as any of the Notes are evidenced by the Global Note Certificate and the Global Note Certificate is held on behalf of the Operator, payments of interest, premium or principal will be made to the CMU Lodging and Paying Agent, which will credit the same to the Operator who will make payments to each accountholder at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Noteholders, the Issuer, the Guarantor, the CMU participants, the accountholders, the indirect participants or any other person in respect of any such payment. Save in the case of final payment, no presentation of the Global Note Certificate shall be required for such purpose.*

7 TAXATION

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

Where such withholding or deduction is made by the Issuer or the Guarantor by or within the PRC up to the rate applicable on 8 July 2025 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.

In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate or (ii) by or within Hong Kong, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note:

- (a) to a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (b) where (in the case of a payment of principal, premium (if any) or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such Additional Tax Amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the CMU Lodging and Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal, premium (if any) or interest shall be deemed to include any additional amounts in respect of principal, premium (if any) or interest (as the case may be) which may be payable under this Condition 7 or any undertaking given in addition to or in substitution of this Condition 7 pursuant to the Trust Deed.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Hong Kong or the PRC respectively, references in these Conditions to Hong Kong or the PRC shall be construed as references to Hong Kong or (as the case may be) the PRC and/or such other jurisdiction.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, assessments, government charges, withholding or other payment referred to in this Condition 7 or otherwise in connection with the Notes or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for (i) determining whether the Issuer, the Guarantor, any Noteholder or any other person is liable to pay any tax, duty, charges, assessments, government charges, withholding or other payment referred to in this Condition 7, (ii) determining the sufficiency or insufficiency of any amounts so paid or (iii) any failure by the Issuer, the Guarantor or the Noteholders or any other person to pay such tax, duty, charges, assessments, government charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent in relation to the Notes in connection with payment of such tax,

duty, charges, assessments, government charges, withholding or other payment imposed by or in any jurisdiction, 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 tax, duty, charges, assessments, government charges, withholding or other payment imposed by or in any jurisdiction.

8 EVENTS OF DEFAULT

If any of the following events (each, an “**Event of Default**”) occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued and unpaid interest without further action or formality:

- (a) Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such failure to pay interest continues for a period of seven PRC Business Days; or
- (b) Breach of Other Obligations:** the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Guarantee or the Trust Deed (other than where it gives rise to a redemption pursuant to Condition 5(c) and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer and the Guarantor; or
- (c) Cross-acceleration of Issuer, Guarantor or Principal Subsidiary:**
 - (i) any indebtedness for money borrowed or raised of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Principal Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such indebtedness; or
 - (iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when due any amount payable by it under any guarantee of any indebtedness for money borrowed or raised;

provided that the amount of indebtedness referred to in Condition 8(c)(i) and/or Condition 8(c)(ii) and/or the amount payable under any guarantee referred to in Condition 8(c)(iii), individually or in the aggregate, exceeds U.S.\$30,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied Judgment:** one or more final judgment(s) or order(s) for the payment of an amount individually or in the aggregate, exceeds U.S.\$30,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, the Guarantor or any of their respective Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their Principal Subsidiaries and such action is not discharged or stayed within 45 days; or
- (f) **Insolvency, etc.:** (i) the Issuer, the Guarantor or any of their respective Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed in respect of the Issuer, the Guarantor or any of their respective Principal Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries, or (iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any Guarantee of any indebtedness given by it, except in each case, for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation of a Principal Subsidiary whereby the assets or undertakings of such Principal Subsidiary are vested in or otherwise transferred to the Guarantor, the Issuer or any Subsidiary; or
- (g) **Winding Up, etc.:** (i) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of their respective Principal Subsidiaries, or (ii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business, except in each case and in the case of a Principal Subsidiary only, (A) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution, (B) a voluntary solvent winding-up or dissolution or whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or any of their Subsidiaries, or (C) a disposal of a Principal Subsidiary on an arm's length basis where the proceeds resulting from such disposal are fully invested in the Issuer, the Guarantor or another of their Subsidiaries; or

- (h) **Analogous Event:** any event occurs which under the laws of Hong Kong or the PRC has an analogous effect to any of the events referred to in Conditions 8(e) to 8(g); or
- (i) **Failure to Take Action, etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Deed of Guarantee or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates, the Deed of Guarantee and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (j) **Unlawfulness:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Guarantee or the Trust Deed; or
- (k) **Guarantee Not in Force:** the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (l) **Government Intervention:** (i) all or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

In this Condition 8, “**Principal Subsidiary**” means any Subsidiary of the Guarantor or the Issuer:

- (i) whose total revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total revenue, as shown by its latest audited income statement, is at least five per cent. of the consolidated total revenue as shown by the latest published audited consolidated income statement of the Guarantor or the Issuer and their respective Subsidiaries including, for the avoidance of doubt, the Guarantor or the Issuer and their respective consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (ii) whose net profit or (in the case of a Subsidiary which itself has Subsidiaries) consolidated net profit, as shown by its latest audited income statement, is at least five per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of the Guarantor or the Issuer and their respective Subsidiaries including, for the avoidance of doubt, the Guarantor or the Issuer and their respective consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

- (iii) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet, are at least five per cent. of the amount which equals the amount included in the consolidated total assets of the Guarantor or the Issuer and their respective Subsidiaries as shown by the latest published audited consolidated balance sheet of the Guarantor or the Issuer and their respective Subsidiaries including, for the avoidance of doubt, the investment of the Guarantor or the Issuer in each of their respective Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor or the Issuer and after adjustment for minority interests;

provided that, in relation to paragraphs (i), (ii) and (iii) above of this definition:

- (A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor or the Issuer relate, the reference to the then latest consolidated audited accounts of the Guarantor or the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor or the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor or the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (B) if at any relevant time in relation to the Guarantor or the Issuer or any of their respective Subsidiaries which itself has Subsidiaries no consolidated accounts are prepared and audited, total revenue, net profit or total assets of the Guarantor or the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by or on behalf of the Guarantor or the Issuer;
- (C) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total revenue, net profit or total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by or on behalf of the Guarantor or the Issuer;
- (D) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above of this definition) are not consolidated with those of the Guarantor or the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor or the Issuer prepared for this purpose by the Guarantor; and

- (E) in the case of a Subsidiary to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary upon such transfer but shall cease to be a Principal Subsidiary at the date on which the first published audited accounts (consolidated, if appropriate) of the Guarantor or the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (i), (ii) or (iii) above of this definition.

9 PRESCRIPTION

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years (in the case of principal or premium (if any)) and five years (in the case of interest) of the appropriate Relevant Date.

10 REPLACEMENT OF NOTE CERTIFICATES

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the fees and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity, pre-funding and otherwise as the Issuer, the relevant Transfer Agent or the Registrar may require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11 TRUSTEE AND AGENTS

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or secured and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee, the Agents and their respective directors and officers is entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking 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 and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Noteholders or any other person as a result of any delay in it exercising such

discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Noteholders or in the event that no direction is given to the Trustee by the Noteholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor 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 or the Guarantor to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by Holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

Each Noteholder 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 Guarantor, and the Trustee shall not at any time have any responsibility in the exercise of its powers and discretions under these Conditions, the Deed of Guarantee and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or CMU lodging and paying agent and additional or successor paying agents and transfer agents; *provided, however, that* the Issuer and the Guarantor shall at all times maintain a CMU lodging and paying agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

12 MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER; CERTIFICATES AND REPORTS

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, the Deed of Guarantee, the Trust Deed and the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal, premium (if any) or interest in respect of the Notes, to reduce the amount of principal, premium (if any) or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the terms of the Guarantee of the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution (i) in writing signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed, holding not less than 90 per cent. in nominal amount of the Notes outstanding, or (ii) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. A resolution passed in writing or by Electronic Consent will be binding on all Noteholders whether or not they participated in such resolution.

For so long as the Notes are evidenced by the Global Note Certificate, an Extraordinary Resolution includes a consent given by way of electronic consents through the Operator (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders of not less than 90 per cent. in principal amount of the Notes for the time being outstanding.

- (b) **Modification and Waiver:** The Trustee may (but shall not be obligated to), without the consent of the Noteholders, agree to any modification of these Conditions, the Deed of Guarantee, the Trust Deed and the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes, the Deed of Guarantee, the Trust Deed and the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may (but shall not be obligated to), without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes, the Deed of Guarantee, the Trust Deed and the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee otherwise agrees, the Issuer shall cause such authorisation, waiver or modification to be notified to the Noteholders as soon as practicable thereafter in accordance with these Conditions.

- (c) **Certificates and Reports:** The Trustee may rely without liability to the Issuer, the Guarantor, the Noteholders or any other person on any report, confirmation or certificate or information 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 or any other person in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, advice or opinion shall be binding on the Issuer, the Guarantor and the Noteholders.

13 ENFORCEMENT

The Trustee may at any time, at its sole and absolute discretion and without notice, institute such actions, steps or proceedings as it thinks fit to enforce its rights under the Deed of Guarantee, the Trust Deed, the Agency Agreement or these Conditions, but it shall not be bound to do so unless:

- (a) it has been so directed by an Extraordinary Resolution or so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes; and
- (b) it has been indemnified and/or pre-funded and/or provided with security to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

14 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the timing to perform and complete the Cross-Border Security Registration and the filing to NDRC) so as to form a single series with the Notes. The Issuer may from time to time, create and issue other series of notes having the benefit of the Trust Deed and the Deed of Guarantee, provided that such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed.

However, such further notes to be consolidated and forming a single series with the Notes may only be issued if (a) a further or supplemental or replacement deed of guarantee is issued by the Guarantor (or an amendment is made to the Deed of Guarantee), on terms that are substantially similar to the Deed of Guarantee, and (b) such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. References to the Deed of Guarantee shall thereafter include such further, supplemental, replacement or amended Deed of Guarantee.

15 NOTICES

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

So long as the Notes are evidenced by the Global Note Certificate and the Global Note Certificate is held by or on behalf of the Operator, any notice to the Holders of the Notes may be validly given by the delivery of the relevant notice to the CMU for communication by the CMU to each relevant accountholder in substitution for notification as required by these Conditions and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interests in the Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

16 CURRENCY INDEMNITY

If any sum due from the Issuer or the Guarantor in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer and, as the case may be, the Guarantor shall indemnify the Trustee and each Noteholder, on the written demand of the Trustee or such Noteholder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Trustee or such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of each of the Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

17 GOVERNING LAW AND JURISDICTION

- (a) **Governing Law:** The Notes, the Trust Deed, the Agency Agreement and the Deed of Guarantee and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The courts of Hong Kong shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, the Trust Deed, the Agency Agreement or the Deed of Guarantee (including any non-contractual obligation arising out of or in connection with the Notes, the Trust Deed, the Agency Agreement or the Deed of Guarantee) (each, a “**Dispute**”) and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Trust Deed, the Agency Agreement or the Deed of Guarantee (including any non-contractual obligation arising out of or in connection with the Notes, the Trust Deed, the Agency Agreement or the Deed of Guarantee) (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor agrees that the courts of Hong Kong are the most appropriate and convenient courts to settle any Dispute and, accordingly, each of the Issuer and the Guarantor has irrevocably submitted to the exclusive jurisdiction of such courts and has irrevocably waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

- (c) **Service of Process:** The Guarantor has irrevocably appointed the Issuer (at its principal place of business at Room 4510, 45/F, China Resources Building, 26 Harbour Road, Wan Chai District, Hong Kong) as, and the Issuer has irrevocably accepted its appointment as, the Guarantor's authorised agent in Hong Kong to accept service of process in Hong Kong in respect of any Proceedings. The Issuer and the Guarantor shall notify the Trustee and the Agents as soon as reasonably practicable of any change to such address. Service upon the Issuer shall be deemed valid service upon the Guarantor whether or not the process is forwarded to or received by the Guarantor. If for any reason the Issuer shall cease to be able to act as agent of the Guarantor for service of process in Hong Kong, each of the Issuer and the Guarantor shall promptly appoint a new agent for service of process in Hong Kong and deliver to the Trustee and the Agents a copy of the new agent's written acceptance of that appointment within 30 days of the Issuer ceasing to be the Guarantor's agent for service of process in Hong Kong. Nothing in these Conditions shall affect the right to serve process in any other manner permitted by law.
- (d) **Waiver of Immunity:** Each of the Issuer and the Guarantor has irrevocably waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUSTAINABILITY FINANCE FRAMEWORK

The Group has established a sustainability finance framework in accordance with:

- the ICMA Green Bond Principles;
- the ICMA Social Bond Principles;
- the ICMA Sustainability Bond Guidelines;
- the Green Loan Principles; and
- the Social Loan Principles.

The Sustainability Finance Framework sets out the governance and processes under which the Group intends to issue green, social or sustainability bonds, loans or any other similar debt instruments, and in doing so contribute to positive environmental and social impacts.

ELIGIBLE PROJECT CATEGORIES

The net proceeds of the issuance of any sustainability notes will be allocated to finance or refinance, in whole or in part, new or existing projects which meets the criteria of the Eligible Green Projects and/or the Eligible Social Projects (each as defined below, and together “**Eligible Projects**”).

Eligible Green Projects

- ***Clean transportation:*** investment, acquisition and expenditures in the research, design, development, and manufacturing of (a) new energy shipping vessels, such as fully electric, LNG-blended and/or methanol-blended shipping vessels; (b) corresponding charging and/or storage facilities such as onshore charging stations and batteries and (c) renovation and optimisation of ship yards specifically for manufacturing of new energy shipping vessels, and trading and purchasing of new and clean energy vehicles;
- ***Renewable energy:*** investment, acquisition and expenditures in relation to the design, manufacture, construction, installation, and operation of renewable energy systems, including (a) photovoltaic (solar) and wind power facilities; (b) solar system for rooftops of the property sites and (c) supply chain solutions for renewable energy system enablers, including but not limited to sourcing and procurement services for battery critical materials (e.g., lithium), components of photovoltaic (solar) power facilities;
- ***Green building:*** investment, acquisition and expenditures in relation to the construction, renovation and refurbishment of existing owned and/or managed properties that will reduce the building’s environmental impact in accordance with any one of the certification systems;

- ***Environmental-friendly industrial practices:*** investment and expenditures in (a) the reduction, treatment, monitoring and/or recycling of industrial hazardous air emissions, solid wastes and/or wastewater, including but not limited to flue gas dedusting, desulfurisation and denitrification, reduction and handling of slag iron and chemical reduction at sewage treatment plants and (b) facility construction or technology upgrading for recycling energy resources such as low grade residual heat and pressure in industrial production for electricity generating, industrial heating, residential heating or for reusing processing technology by saturated steam power generation technology, flue gas waste heat recovery and other related technologies; and
- ***Green Innovation and Incubation:*** provision of finance for enterprises' activities in (a) green industrial renovation in industrial parks, such as waste heat power generation and other digital solutions to enable energy efficiency and circular economy and/or (b) alternative green assets, such as forest (as potential carbon sinks).

Eligible Social Projects

- ***Affordable housing – long-term rental apartments:*** investment, acquisition and expenditures in relation to the construction, operation and compensations of affordable houses (such as long-term rental apartments at a lower- than-market rate of rent) which contribute to reductions in the number of people without adequate, safe and affordable housing;
- ***Access to essential services – inclusive financing:*** investment in provision of short-term financing solutions at preferential rate for low-income groups to facilitate their basic financing needs, including mortgage and loans;
- ***Access to essential services – healthcare:*** investment and expenditures in projects in relation to the provision, construction and operation of affordable and accessible healthcare services for the general public and vulnerable groups. These include nursing homes and supporting medical facilities to improve the living conditions, healthcare accessibility, additional care and support for elderly people; and
- ***Food security and sustainable food systems:*** investment and expenditures in the supply chain management services and digital infrastructures as well as warehouses to enhancing local food production and safeguard the livelihoods of individuals.

EXCLUSION LIST

Based on the latest International Finance Corporation Exclusion List, the Group has added the following activities to its exclusion list. In any case, Eligible Green and Social Projects under the Sustainability Finance Framework will exclude the following activities from consideration for eligibility:

- 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, polychlorinated biphenyls, wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora;
- 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 purchase of medical equipment, quality control (measurement) equipment and any equipment where any international financial company considers the radioactive source to be trivial and/or adequately shielded;
- Production or trade in unbonded asbestos fibers. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 per cent.;
- Drift net fishing in the marine environment using nets over 2.5 kilometers in length;
- Production or activities involving harmful or exploitative forms of forced labor/harmful child labour;
- Commercial logging operations for use in primary tropical forest;
- Production or trade in wood or other forestry products other than from sustainably managed forests;
- Projects related to nuclear production;
- Projects related to fossil fuel production;
- Projects related to coal mining; and
- Projects related to hydropower which installed capacity higher than 25 megawatts.

PROJECT EVALUATION AND SELECTION

The Group's sustainable financing working group ("SFWG") is responsible for, among others, the management of the Sustainability Finance Framework and the compliance of all financing instruments issued under the Sustainability Finance Framework, as well as ensuring that the proceeds from its sustainability financing arrangements or an equivalent amount will be allocated to the Eligible Projects under the framework.

The SFWG consists of senior management members from various departments of the Group, including the Corporate Finance and Financing Department, Corporate Investment Department and Planning and Development Department. The SFWG will meet at least every 12 months or whenever necessary to discuss, assess and select eligible green and social projects according to the eligibility and exclusion criteria under this framework.

The SFWG will undertake regular monitoring of the asset pool to ensure the compliance of the Eligible Green Projects and the Eligible Social Projects with the criteria as aforementioned, whilst replacing any ineligible green projects and/or social projects with new Eligible Green Projects and new Eligible Social Projects and facilitate regular reporting on any sustainability-linked issuance in alignment with the reporting commitments.

MANAGEMENT OF PROCEEDS

The proceeds from each sustainability financing arrangements can be used for both the financing and the refinancing of the Eligible Projects. A look-back period of three years will apply for refinancing.

Such proceeds will be deposited in the general funding accounts of the Group and earmarked for allocation towards the Eligible Projects for the purposes of financing and refinancing. The Group will maintain a register to track the use of proceeds for the sustainability financing arrangements. A sustainability finance allocation register will be established to record the allocation of proceeds.

Any balance of such proceeds which are not yet allocated to Eligible Projects will be temporarily held in accordance with the Group's liquidity management guidelines on cash, cash equivalents or short-term deposits, and the Group commits not to invest such unallocated net proceeds to the projects which are subject to exclusions criteria under the Sustainability Finance Framework. For each issuance under the Sustainability Finance Framework, the Group will review the register on an annual basis.

During the life of the relevant sustainability financing arrangements, if the designated projects cease to fulfil the eligibility criteria, the net proceeds will be re-allocated to replacement projects that comply with the eligibility criteria as soon as reasonably practicable.

REPORTING

For sustainability financing arrangements under this Sustainability Finance Framework, the Group will make and keep readily available category level disclosure reports via its website, or include them in the Group's annual report. The Group will disclose the allocation and impact of the net proceeds raised under the Sustainability Finance Framework or an amount equal to these net proceeds, on an annual basis from the first year of issuance until the net proceeds are fully allocated to the Eligible Green Projects and the Eligible Social Projects, and thereafter in the event of any material changes.

Allocation Report

Information will be provided on the allocation of the net proceeds of the sustainability financing arrangements of the Group, including but not limited to:

- the net proceeds outstanding for each sustainability financing arrangement;
- the list of the Eligible Projects with descriptions and the amount that has been allocated and earmarked;
- the proportion of the proceeds allocated to refinancing of existing Eligible Projects, with clarification on which investment or project portfolios will be refinanced;
- the balance of unallocated proceeds held in cash, cash equivalents or short-term deposits and its temporary treatment (if any); and
- the types of temporary unallocated funds placements and uses.

Impact Report

Where possible and subject to data availability and confidentiality, the Group will report on the environmental and/or social impact of the Eligible Projects using relevant indicators as described in the International Capital Market Association's Harmonised Framework for Impact Reporting (2024) and Harmonised Framework for Impact Reporting for Social Bonds (2025).

Subject to the availability of suitable information and data and the categories of the Eligible Projects, the Group aims to include the following indicators on an best effort basis:

- ***Clean transportation:*** number of shipping vessels deployed, number of passengers transported for passenger ships, annual freight volume transported for bulk carrier ships (tonnes p.a.), number and type of charging and storage facilities built, number and type of new and clean energy vehicles traded and/or purchased and annual GHG emission reduced/avoided (tonnes of CO₂ equivalent/a);
- ***Renewable energy:*** annual renewable energy generation (GWh/a for electricity and GJ/a for other energy) and annual GHG emission reduced/avoided (tonnes of CO₂ equivalent/a);

- **Green building:** type and level of green building certifications obtained;
- **Environmental-friendly industrial practices:** reduction of NO_x or SO_x or particulates (PM_{2.5} and PM₁₀) (tonnes of CO₂ equivalent/a), reduction of industrial waste (tonnes p.a.), annual industrial waste treated (tonnes p.a.), annual industrial waste recycled (tonnes p.a.), annual wastewater treated (tonnes p.a.) and number of industrial facilities upgraded;
- **Green innovation and incubation:** annual energy saving (MWh/a for electricity) and (GJ for other energy) and maintenance/safeguarding/increase of forest area in m² and in % for increase;
- **Affordable housing – long-term rental apartments:** number of long-term rental apartments targeted low-income individuals built and number of individuals/families benefiting from subsidised housing;
- **Access to essential services – inclusive financing:** number of loans to small and medium enterprises in low-income areas and/or microenterprises and number of low-income people provided with access to affordable microcredit/microfinance;
- **Access to essential services – healthcare:** number of people received healthcare services or medical treatment; and
- **Food security and sustainable food systems:** number of people provided with access to affordable, safe, nutritious and sufficient food and reduced rates of poverty for farmers.

CERTIFICATION REPORT ON THE SUSTAINABILITY FINANCE FRAMEWORK BY CCXGFI

The Group has requested CCXGFI to evaluate its Sustainability Finance Framework in accordance with the Principles and Guidelines. CCXGFI has awarded the Group an “Sf-2 [Good]” rating, primarily owing to (a) the Group’s moderate alignment to the Principles and Guidelines, (b) the high relevance of the Sustainability Finance Framework to the Group’s overall development strategy, (c) the moderate feasibility of the environmental and/or social objectives of the Sustainability Finance Framework and (d) the adequacy of environmental and/or social risk management of the Group.

Furthermore, CCXGFI is in the opinion that the Sustainability Finance Framework is credible and impactful and aligns with the four core components of the Principles and Guidelines, namely:

- **Use of proceeds:** the use of proceeds is clearly defined and in good alignment with the Principles and Guidelines. The investments in the Eligible Projects are anticipated to deliver significant environmental and social benefits while contributing to the achievement of several UN Sustainable Development Goals (“SDGs”), specifically SDGs 1, 2, 3, 6, 7, 8, 9, 10, 11, 12 and 13. Additionally, the Group has identified a list of excluded project types based on the International Finance Corporation’s exclusion list and selected the most pertinent criteria relevant to its operational circumstances and business priorities;

- ***Process for project evaluation and selection:*** the Group has built a well-established control structure with different business departments and set up a reasonable process for the evaluation and selection of Eligible Projects, and such process is formalised and reasonably structured, transparent, relevant and aligned with the Principles and Guidelines;
- ***Management of proceeds:*** the Group has clearly defined the rules for the management of proceeds, which allows a traceable and transparent allocation process which matches the requirements of the Principles and Guidelines; and
- ***Reporting:*** the reporting disclosure under the Sustainability Finance Framework is aligned with the Principles and Guidelines. The Group is committed to reporting the allocation of net proceeds at least annually until full allocation of the net proceeds of any sustainability financing arrangement in place, or if there is a change of allocation during the outstanding period of the sustainability financing arrangement, and disclosing the impact of financed projects through quantitative indicators defined in the handbook of the International Capital Market Association where possible.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

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

Upon issue, the Notes will be evidenced by the Global Note Certificate, which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator of the CMU. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in the Global Note Certificate, individual Note Certificates will not be issued in exchange for interests in the Global Note Certificate. For any person seeking to hold a beneficial interest in the Notes through Euroclear or Clearstream, such person will hold such interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU operator.

PROMISE TO PAY

Under the Global Note Certificate, the Issuer, for value received, will promise to pay such principal sum to the holder of the Notes evidenced by the Global Note Certificate (the “**Holder**”) on the maturity date of the Notes or on such earlier date or dates as the same may become payable in accordance with the Terms and Conditions of the Notes, and to pay interest on such principal sum in arrears on the dates and at the rate specified in the Terms and Conditions of the Notes, together with any additional amounts payable in accordance with the Terms and Conditions of the Notes, all subject to and in accordance with the Terms and Conditions of the Notes.

EXCHANGE FOR INDIVIDUAL NOTE CERTIFICATES

The Global Note Certificate will be exchanged in whole (but not in part) for duly completed and authenticated individual Note Certificates if any of the following events occurs:

- (a) the CMU is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 8 of the Terms and Conditions of the Notes occurs.

Such exchange shall be effected in accordance with “– *Delivery of Individual Note Certificates*” below. The Issuer shall notify the Holder of the occurrence of any of the events specified in (a) and (b) as soon as practicable thereafter.

DELIVERY OF INDIVIDUAL NOTE CERTIFICATES

Whenever the Global Note Certificate is to be exchanged for individual Note Certificates, such individual Note Certificates shall be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the Holder and/or the CMU to the Registrar of such information as is required to complete and deliver such individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the Specified Office (as defined in the Conditions) of the Registrar (as defined in the Terms and Conditions of the Notes). Such exchange shall be effected in accordance with the provisions of the Agency Agreement (as defined in the Terms and Conditions of the Notes) and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in Renminbi) in the city where the Registrar has its Specified Office.

PAYMENT

Payments of interest, premium or principal will be made to the CMU Lodging and Paying Agent, which will credit the same to the Operator who will make payments to each person who is for the time being shown in the records of the Operator as the holder of a particular principal amount of Notes (the “**accountholder**”) (in which regard any certificate or other document issued by the Operator as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Noteholders, the Issuer, the Guarantor, the CMU participants, the accountholders, the indirect participants or any other person in respect of any such payment. Save in the case of final payment, no presentation of the Global Note Certificate shall be required for such purpose.

EXERCISE OF PUT OPTION

In order to exercise the option contained in Condition 5(c) of the Terms and Conditions of the Notes (the “**Put Option**”), the Holder must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Note Certificate and put notice, give written notice of such exercise to the CMU Lodging and Paying Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn. Notice of exercise received within the time limits specified in the Terms and Conditions of the Notes by the CMU Lodging and Paying Agent from

an accountholder in the CMU or any other clearing system (an “**Alternative Clearing System**”) with an interest in the Global Note Certificate will be accepted by the Issuer as having been given by the Holder as to the principal amount of the Notes in respect of which it is given (but without double counting).

NOTICES

So long as the Notes are evidenced by the Global Note Certificate and the Global Note Certificate is held by or on behalf of the Operator, any notice to the Holders of the Notes shall be validly given by the delivery of the relevant notice to the CMU for communication by the CMU to each relevant accountholder in substitution for notification as required by the Terms and Conditions of the Notes and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interests in the Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

MEETINGS

For the purposes of any meeting of Noteholders, the Holder of the Notes evidenced by the Global Note Certificate shall (unless the Global Note Certificate evidences only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each CNY10,000 in principal amount of Notes for which the Global Note Certificate is issued.

TRANSFERS

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

CANCELLATION

Cancellation of any Note by the Issuer following its redemption or purchase by the Issuer, the Guarantor or any of their Subsidiaries (as defined in the Terms and Conditions of the Notes) will be effected by a reduction in the principal amount of the Notes in the register maintained by the Registrar in relation to the Notes (the “**Register**”) and the Global Note Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in the schedule thereto.

TRUSTEE’S POWERS

In considering the interests of Noteholders while the Global Note Certificate is held by or on behalf of the Operator, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the CMU as to the identity of its

accountholders (either individually or by way of category) with entitlements in respect of the Notes and (b) consider such interests on the basis that such accountholders were the holders of the Notes in respect of which the Global Note Certificate is issued.

DETERMINATION OF ENTITLEMENT

The Global Note Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of the Global Note Certificate.

AUTHENTICATION

The Global Note Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of the Registrar.

GOVERNING LAW

The Global Note Certificate and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

DESCRIPTION OF THE ISSUER

OVERVIEW

The Issuer, HONGKONG XIANGYU INVESTMENT CO., LIMITED (香港象嶼投資有限公司), was incorporated in Hong Kong on 28 April 2010 as a company with limited liability under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (company number: 1449969). The Issuer is a wholly-owned subsidiary of the Guarantor. The registered office of the Issuer is located at Room 4510, 45/F, China Resources Building, 26 Harbour Road, Wan Chai District, Hong Kong.

BUSINESS ACTIVITY

The Issuer was initially established for the purpose of operating the leasing of container business in the PRC, and the Issuer had also previously engaged in trading of consumer goods business before certain internal business restructuring. In the future, the Issuer will gradually become an overseas investment and financing platform focusing on raising funds and providing financial support for the Group's overseas projects.

In the future, the Issuer may, either through itself or through direct and indirect subsidiaries and associated companies, issue further notes or engage in business activities related to those of the Guarantor and may incur substantial liabilities and indebtedness.

The Issuer has full power and authority to carry out any activities which are not prohibited by the laws of Hong Kong.

DIRECTORS

The directors of the Issuer are Ms. WU Huirong, Ms. WANG Jianli and Mr. CHAN Kwok Leung. The directors of the Issuer do not hold any shares or options to acquire shares of the Issuer.

SHARE CAPITAL

As at the date of this Offering Circular, the Issuer's total amount of authorised share capital was U.S.\$9.9 million, all of which has been issued and paid. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

INDEBTEDNESS

As at the date of this Offering Circular, the Issuer has an outstanding indebtedness of (i) U.S.\$740 million which consists of the outstanding notes issued in an aggregate principal amount of U.S.\$490 million and a term loan facility in the aggregate principal amount of U.S.\$250 million guaranteed by the Guarantor and (ii) RMB1,250 million in the form of a term loan facility guaranteed by the Guarantor.

FINANCIAL INFORMATION

Under the laws of Hong Kong, the Issuer is required to file with the Hong Kong Companies Registry its audited financial statements with its annual return for corresponding financial year. In addition, the Issuer is required to keep proper books of account as they are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions. The Issuer is also required to prepare its audited financial reports and its unaudited accounts in accordance with the Terms and Conditions of the Notes.

For avoidance of doubt, the Issuer Audited Financial Statements included elsewhere of this Offering Circular do not constitute the specified financial statements in the meaning under the CO.

DESCRIPTION OF THE GROUP

OVERVIEW

Established in November 1995 under Xiamen SASAC, the Guarantor has been the first pilot state-owned enterprise adopting an asset and operation integration business model in Xiamen and one of the first batch of units which has undergone the state-owned capital investment company reform pilot scheme. It is one of the largest state-owned enterprises in Xiamen and a leading enterprise in the Xiamen Area of China (Fujian) Pilot Free Trade Zone (中國(福建)自由貿易試驗區廈門片區), as well as the development and operation platform of Xiamen Xiangyu Free Trade Zone (廈門象嶼保稅區), Xiamen Modern Logistics Park (廈門現代物流園區) and Xiamen Dadeng-to-Taiwan Small Commodity Trading Market (廈門大嶼對台小額商品交易市場). Over years of growth, the Group has developed into a vast conglomerate with its businesses including (i) commodity supply chains service, (ii) urban development and operation, (iii) integrated financial services and (iv) other businesses.

Over the years, the Group has achieved a number of notable achievements. In 2024, the Group ranked 101th on the list of Top 500 Most Valuable Chinese Brands (500最具價值中國品牌) by GY Brand (全球品牌研究院), 187th on the list of Fortune Global 500 Enterprises (世界500強) by Fortune (財富), 54th on the list of China Top 500 Enterprises (中國企業500強) and 26th on the list of China Top 500 Enterprises in the Servicing Industry (中國服務業企業500強) by China Enterprises Union (中國企業聯合會). In addition, the Group has been awarded, among others, National “Double Hundred Enterprise” Excellence Grade (全國「國企改革雙百企業」優秀等級), National May Day Labour Medal (全國五一勞動獎狀), National Enterprise of Abiding by Contract and Being Trustworthy (全國守合同重信用單位), National Model Enterprise of Harmonious Labour Relation (全國模範勞動關係和諧企業), National Advanced Unit of Internal Audit (全國內部審計先進單位), National Enterprise Management Modernisation Innovation Achievement First Prize (全國企業管理現代化創新成果一等獎), National Enterprise Cultural Excellence First Prize (全國企業文化優秀成果一等獎), Leading Enterprise on Golden Bee Corporate Social Responsibility List of China (金蜜蜂企業社會責任中國榜「領袖型企業」), China’s Foreign Trade Credit AAA Enterprise (中國對外貿易信用AAA級企業), National Advanced Enterprise for the High Quality and Benefit of Foreign Trade (全國外經貿質量效益先進型企業), National Advanced Unit for Enterprise Information Work (全國企業資訊工作先進單位) and Green Channel Enterprise for Custom Price Verification (海關審價綠色通道企業). See also “– Rankings and Awards”.

For the years ended 31 December 2022, 2023 and 2024, the Group’s operating revenue was approximately RMB563 billion, RMB490 billion and RMB416 billion, respectively, and the Group’s operating profit was approximately RMB6,360 million, RMB1,134 million and RMB2,283 million, respectively. The Group’s net profit for the years ended 31 December 2022, 2023 and 2024 was approximately RMB4,841 million, RMB995 million and RMB1,257 million, respectively. From 1995, being the year of the Guarantor’s establishment, to 2024, the Group recorded average annual growth rate of approximately 23 per cent., 11 per cent., 27 per cent. and 14 per cent. for the Group’s total assets, net assets, operating revenue and net profit, respectively. For the year ended 31 December 2024, the Group contributed approximately RMB26,700 million to the tax income of China.

OVERVIEW OF XIAMEN AND XIAMEN BONDED ZONE

Xiamen is a municipality located in the south-eastern part of Fujian province and the west shore of Taiwan Strait. Xiamen is one of the first four special economic zones in China enjoying provincial administrative authority in economic development and local legislative power and is an outbound economic-driven trading port in China that caters for foreign investment. According to the National Bureau of Statistics, Xiamen recorded GDP of approximately RMB859 billion in the year ended 31 December 2024, ranking 3rd in Fujian Province and representing an increase of RMB446 million with a growth rate of 5.5 per cent. as compared with the year ended 31 December 2023. In addition, the GDP per capita of Xiamen amounted to RMB161,235 for the year ended 31 December 2024, ranking 2nd in Fujian Province. According to the 2021 Statistical Report on the Economic and Social Development of Xiamen (《廈門市2024年國民經濟和社會發展統計公報》) published by Xiamen Bureau of Statistic on 25 March 2025, a number of economic indicators of Xiamen recorded considerable growth and were on the top place in Fujian Province, including computer, communications and other electronic equipment manufacturing, total retail sales of consumer goods, per capita disposable income of all residents, total business volume in the wholesale industry and transportation and trade.

The favourable government policy enhances the development of Xiamen. The pilot scheme of the Xiamen Area of China (Fujian) Pilot Free Trade Zone supports the trade and economic development of the countries and regions along the Maritime Silk Road, bringing mutual benefits to the regions by connecting them globally. On 28 February 2017, the State Council announced the Modern Transport System Development Plan under the 13th Five-year Plan (《「十三五」現代綜合交通運輸體系發展規劃》) for the debut positioning of Xiamen as an international integrated transportation hub, enhancing the functionality of personnel communication and logistics distribution comprehensive services, developing Xiamen into a highly efficient and comprehensive global transportation hub in the centre of China. On 18 January 2022, the State Council announced the Modern Transport System Development Plan under the 14th Five-year Plan (《「十四五」現代綜合交通運輸體系發展規劃》) under which Xiamen will be positioned to be a safe, convenient, efficient, green and economical shipping port and a modernised transport hub with world-class capabilities.

With the unique cross-strait geographical location, Xiamen is well positioned to develop the Belt and Road initiative and establish the Taiwan-China emerging industries and modernised services demonstration area, develop the central core area with cross-strait financial and trading centres and develop Haicang Port area (海滄港區域) into a south-eastern international shipping centre, together with a unique pilot free trade area to facilitate the development of ports for sea, land and air transport and cruise port. The unique geographic and economic advantages of Xiamen have given rise to opportunities for the development of trade, logistics and real estate industries in the region, which in turn drive the growth of the Group's business.

COMPETITIVE STRENGTHS

The Group believes that its competitive strengths outlined below distinguish it from its competitors and are important to its success and future development:

An important state-owned investment group with regional significance

The Guarantor is a state-owned enterprise, authorised by the municipal government of Xiamen and solely owned by Xiamen SASAC. As a modernised, international and integrated group, the Group represents Xiamen SASAC and performs its asset management and investment functions. Since its establishment in 1995, the Group has grown into a Fortune Global 500 enterprise recording operating revenue that exceeds RMB300.0 billion and investing in over 500 enterprises. While the Group's future development will continue to promote, and align with, national strategies, industrial development and social welfare of the PRC, the Group has developed into:

- ***A leading regional developer in implementing developmental blueprint of the government:*** since its beginnings at Xiamen Xiangyu Free Trade Zone (廈門象嶼保稅區) over 20 years ago, the Group has fulfilled construction projects and operated projects such as Xiamen Modern Logistics Park (廈門現代物流園區), Cross-Strait Trade Centre (兩岸貿易中心) and Xiamen Dadeng-to-Taiwan Small Transaction Market (廈門大嶼對台小額交易市場), which enables the Group to accumulate invaluable experience in regional development.
- ***The operational service provider in Xiamen Xiangyu Free Trade Zone:*** since the commencement of operations of Fujian Free Trade Zone, Xiamen Region (福建自由貿易區廈門片區) in 2014, the Group has become the primary operational service provider and developer in the region.
- ***A leading logistics service provider with integrated advantages in the western strait:*** as the Group consolidates and strengthens over time, its business model matures and the Group has attained up-stream pricing power and downstream distribution capabilities. The Group's proficiency in supply chain integrated services also develops over time.
- ***A globally competitive, supply chain-centric integrated investment group:*** the Group aligns with the national strategies of the government and fully utilises state-owned assets to promote economic development in the region and nation. The Group centres towards the global supply chain and effectively deploys its assets to become a respectable and globally competitive enterprise. For the year ended 31 December 2024, the total value of imports and exports of the Group was approximately U.S.\$15.9 billion in aggregate.

With continued growth, the Group has been strategically expanding its global investment layout as shown below.



Strong government support, good resources integration ability and close relationship with Xiamen SASAC

As a state-owned entity, the Group is closely tied to relevant municipal and provincial governments and other government entities. The Group's primary objective is to diversify, preserve and increase the value and return of state-owned assets under its management. To that end, the Group adjusts its strategies and executes its plans in accordance with the requirements of Xiamen SASAC and the national policies. The Group is authorised by Xiamen SASAC to make independent decisions on certain medium- and long-term development strategies, certain investment decisions, the provision of some external guarantees and certain asset evaluation filing.

The Group has been the first pilot state-owned enterprise adopting an asset and operation integration business model in Xiamen and one of the first batch of units which has undergone the state-owned capital investment company reform pilot scheme. The Group's senior management is appointed by Xiamen SASAC and Xiamen SASAC conducts an annual review of the Group's financial and operational performance. The Group also benefits from the consolidation of resources by Xiamen SASAC, which channel resources into leading state-owned enterprises. In recent years, the Group received several rounds of capital injections from Xiamen SASAC, other government subsidies and transfer of assets. For example, in 2024, the Guarantor received government grants of approximately RMB787 million, and the Guarantor's registered capital and paid-in capital amounted to approximately RMB1,775.9 million. Xiamen SASAC has also provided the Group with preferential policies, resources and financing support. The Group has been engaged by relevant government entities in a number of milestone projects, such as Xiamen Tourism Passenger Terminal Project (廈門旅遊客運碼頭項目), Dadeng Taiwan Trade Characteristic Town (大嶝台貿特色小鎮), Rural Revitalisation Project (鄉村振興項目), Xiangyu

Smart Supply Chain Industrial Park (象嶼智慧供應鏈產業園), Xiamen Sea World Project (廈門海上世界項目) and Xiamen Ferry Terminal (廈門輪渡碼頭). The Group will continue to focus on its key projects, deeply implement the strategy of “cross-island development”, and develop Xiamen into a city with high quality, gorgeous appearance and high level of modernisation and internationalisation.

As a state-owned enterprise, the Group also receives financing from policy banks and benefits from national strategies such as “Belt and Road” (一帶一路) and “Going Global” (走出去).

Longstanding experiences and presence in the supply chain industry

The wide network of the logistics service system and mature warehousing support of the Group have formed one of its core competitive advantages. In terms of risk control management, service efficiency and service differentiation, the Group has solid competitive edges over its competitors. In terms of risk control management, the in-depth layout of logistics and warehousing networks of the Group ensures that bulk commodities are always contained within the warehousing nodes controlled by the Group (whether self-owned or self-operated) and the logistics path system in the circulation of various business links. This has effectively improved the security of commodity ownership and funds and enhanced the control of its customers over commodity circulation. In terms of service efficiency, the profitability of the Group’s supply chain business depends on the high turnover, which can be promoted by the Group’s self-contained logistics capabilities. The Group’s logistics capabilities can achieve economies of scale and reduce its storage and transportation costs and improve its asset turnover rate. In terms of service differentiation, the Group’s logistic services are relatively differentiated in the current supply chain industry, which can form a certain level of customer stickiness and competitive advantages, attracting more customers to purchase and sell goods on the Group’s supply chain platform. At the same time, the increase in customer business volume further contributes to the scale effect of the logistics services and attains a virtuous circle. With the intelligent logistic service system of “road, railway, water and warehouse” (公、鐵、水、倉), multimodal transport logistics services by the Group with high coverage and multi-point contact can exert a strong network effect and form a certain barrier to its competitors.

Prudent risk control system to ensure the safe operation of assets

The Group pursues the business tenet of “Risk Control First, Profit Second and Scale Third” (風險第一、利潤第二、規模第三). Under the premise of controllable risks, the Group pursues the maximisation of profits, and then considers moderate expansion of scale. The Group strives to build a firm foundation in the market to achieve win-win cooperation, innovative development and constantly enhance its capacity for capital operations, investment and financing with the philosophy of “industry as the foundation, practical capital utilisation, industry-finance integration and two-wheel driven” (產業為本、資本為用、產融結合、雙輪驅動).

The Group has a robust risk management framework integrating the board of directors, operations and the supervisory department. The board of directors, taking into consideration the risk and reward calculation and the limitation of risk acceptance, devises risk management plans and delegates execution authorities to staff at operational level. The operations team implements the risk management measures devised by the board of directors, and would seek additional

approval from the board of directors to efficiently carry out the risk management controls as required. The supervisory department supervises and monitors the implementation of risk management controls and reports directly to the board of directors.

The Group adopts an active and preventive risk management strategy, and has established comprehensive risk controls including risk identifying policies, implementation optimisation and regular review systems. In response to strategic risks, the Group seeks to select business opportunities and exercise decision-making in line with the national and corporate development strategies, focusing on its core business. In response to operational risks (such as price risk, financing risks and credit risks), the Group maintains adequate capital reserve as a means for risk response. In response to structural risks, the Group maintains reasonable matching of multiple dimensions such as capital structure, product structure, customer structure, etc. In response to human resources risks, the Group places emphasis on both the moral integrity and ability of its staff members, with moral integrity as the priority. It also focuses on maintaining a good mix of employees of different seniority, age, gender, education background and aptitude. In response to systemic risks, the Group revises and modifies the corporate governance systems from time to time in compatible with its evolving business operations, as well as focuses on party building and culture building to make up for any identified defects.

Robust capital structure

The Group has over the years accumulated abundant capital resources through its growing business operations and shareholder support, and established a robust capital structure. As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately RMB40,432 million. From 1995 to 2024, the Group's average annual growth rate of its net profit amounted to approximately 14 per cent. With abundant high-quality assets and stable business operation and financial performance, the Group successfully maintains a reasonable and stable asset-liability ratio.

Access to multiple and diversified financing channels

The Group has established and maintained diversified financing channels to lower its financing costs, improve its financing structure and ensure its liquidity and sustainable funding. The Group maintains long-term stable partnerships with a number of international, commercial and state-owned policy banks. As at 31 March 2025, the Group had total credit facilities of approximately RMB329.7 billion, of which approximately RMB168.2 billion had not been utilised. In addition, as at 31 March 2025, the total interest-bearing indebtedness of the Group amounted to approximately RMB149.3 billion, among which RMB41.3 billion was raised by issuance of bonds.

In addition to bank facilities, the Group also raises funds through its access to the debt capital markets in China, and has issued various forms of debt securities, including medium-term notes, corporate bonds, short-term commercial papers, super short-term commercial papers, asset-backed securities, asset-backed notes and asset-backed commercial paper. In addition, the Group has also raised funds in international capital markets by issuing offshore debt securities. The Guarantor has been assigned credit ratings 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) and China Lianhe Credit Ratings Co., Ltd.

(聯合資信評估股份有限公司). Such credit ratings have affirmed the Group's creditworthiness and further improved the Group's financing capabilities on the debt capital markets.

The Group also takes advantage of equity financing. In 2011, Xiamen Xiangyu, a wholly-owned subsidiary of the Guarantor, was listed on the Shanghai Stock Exchange. Xiamen Xiangyu successfully completed private placement of RMB3.22 billion in 2014 and 2015 and rights issuance of RMB1.75 billion in 2017.

Leveraging on its diversified financing channels and excellent credit rating, the Group believes that it is well-positioned to further expand its business operations and capture potential growth opportunities.

Sound corporate governance structure

The Group greatly values the importance of sound corporate governance, which the Group believes has significantly contributed to the Group's steady, continued and sustainable growth. To ensure that the Group's operations comply with applicable laws and regulations, and to prevent and mitigate risks arising from the Group's operations, the Group has established a sound, efficient, and cost-effective internal control framework, and formulated and implemented a range of internal control policies and procedures.

Experienced senior management team executing business development strategies.

The Guarantor's senior management team and key operating personnel have on average more than 20 years of experience in industries that the Group operates. Further, the Guarantor's senior management team is highly experienced in collaborating with various levels of the PRC government entities, which is of strategic value to the Group. Many of the Guarantor's senior executives have previously served as officials in various state-owned enterprises and government departments of the PRC. Their understanding of the regulatory framework and government policies allows the Group to efficiently conduct its various businesses and to position itself to take advantage of any favourable governmental policies. The Guarantor's senior management team is supported by a team of key employees who can support its business development strategies, such as employees with management talent, marketing professionals and technical experts.

BUSINESS STRATEGIES

With the corporation mission of "benefitting the world and achieving success together", the Group intends to become a globally-competitive comprehensive investment holding group focused on commodity supply chain during the period of its 6th "Five-year Plan". Specifically, the Group plans to focus on the following strategies:

Continuing to focus on its core businesses of commodity supply chains, urban development and operation, integrated financial services, port and shipping and innovation incubation

The Group aims to further integrate domestic and overseas resources, synergise the value chain and the industry chain of its products, maintain its leading position in relevant industries and

further enhance its influence on the market by providing excellent services. With the strategies of “based on supply chain, serve industry chain and create value chain” (立足供應鏈、服務產業鏈、創造價值鏈) and through the management of capital and investment, the Group aims to gradually transform from an investment-driven entity to a value-driven entity with fully integrated resource and synergy among different businesses, realise scale effect and superposition effect, and better serve its diversified business portfolio with its core businesses as commodity supply chains, urban development and operation, integrated financial services, port and shipping and innovation incubation.

Continuing to deepen its reform

As a state-owned capital and investment entity, the Group plans to deepen its reform, improve its competitiveness, innovation capacity, internal control mechanism, risk control mechanism and global influence, and become a first-class enterprise in the world.

Continuing to optimise the Group’s management mechanism and management efficiency

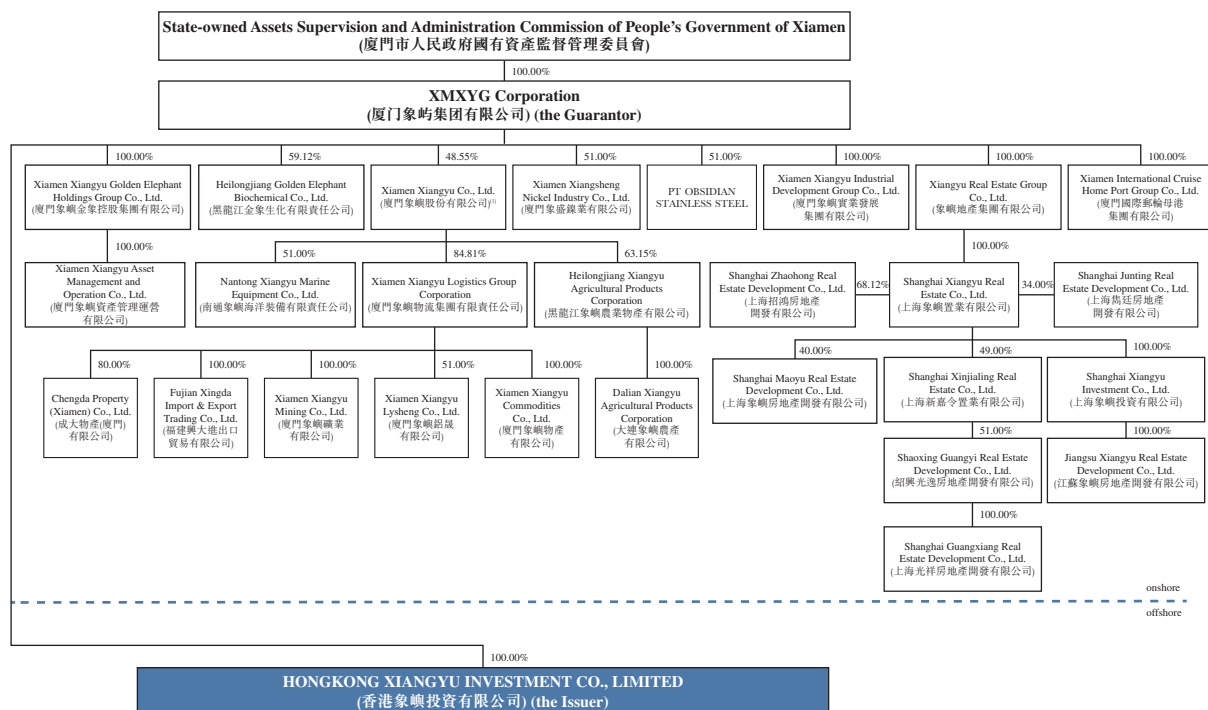
To optimise the Group’s management mechanism and efficiency, the Group strives to establish an efficient corporate governance structure with “capable headquarters and professional management” (能力總部、專業經營). The Group will continue to invest in its employees and maintain a spirit of partnership with its employees to optimise the structure of its talent pool, and actively promote the digital innovation in its management mechanism, so as to support its business goals and enhance its competitive advantages.

Continuing to fulfil corporate social responsibility and promote national development strategies

As a state-owned enterprise, the Group will continue to implement national development strategies and take the helm to cultivate markets, innovate and strengthen a fully integrated supply chain. To promote green and sustainable development, the Group is also dedicated to fulfil its environmental responsibility as its first priority. The Group will seek to enrich its business network with business partners and develop a collaborative ecosystem, sharing growth and rewards with upstream and downstream stakeholders. As a vital part of the Group, the Group is also determined to provide care and support to our employees and will continue to share its success with its employees and the society.

CORPORATE STRUCTURE

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



Note:

The Guarantor directly holds 48.55 per cent. of the shares of Xiamen Xiangyu Co., Ltd. and indirectly holds 1.08 per cent. of the shares of Xiamen Xiangyu Co., Ltd. through its wholly-owned subsidiary, Xiangyu Real Estate Group Co., Ltd.

CORPORATE HISTORY

The Guarantor is a state-owned enterprise wholly-owned by Xiamen SASAC. The Guarantor was incorporated in November 1995 with an initial registered capital of RMB138.0 million. Xiamen Xiangyu, a wholly-owned subsidiary of the Guarantor, was listed on the Shanghai Stock Exchange through backdoor listing in August 2011. The following sets out a number of the key events occurred in the historical development of the Group:

- 1995 • The Guarantor was established in November 1995 with an initial registered capital of RMB138.0 million.
- 1997 • The Guarantor became the first authorised pilot state-owned assets operation enterprise in Xiamen.

- 2001 • Xiamen XMXYG International Freight Co., Ltd. (廈門象嶼集團國際貨運有限公司) was restructured into a joint-stock company, Xiamen Xiangyu Group International Freight Co., Ltd. (廈門速傳物流發展股份有限公司) (“**Xiamen Xiangyu Group International Freight**”), which was the first joint-stock logistics enterprise in Xiamen.
- 2003 • Xiamen Xiangyu Asset Management and Operation Co., Ltd. (廈門象嶼資產管理運營有限公司) commenced operation and subsequently established subsidiaries operating the business of provision of guarantee and pawnbroking, which formed the integrated financial services business of the Group.
- 2004 • The Group achieved a net profit of more than RMB100 million.
- 2005–2010 ... • Additional capital was injected into the Guarantor. The new registered capital amounted to RMB965.8 million.
- Xiamen Xiangyu Construction Group Co., Ltd. (廈門象嶼建設集團有限責任公司) (“**Xiamen Xiangyu Construction**”) was established in 2005, which primarily engages in the business of land development, logistic park construction, real estate development and infrastructure construction.
- 2011 • Xiamen Xiangyu, a wholly-owned subsidiary of the Guarantor, was listed on the Shanghai Stock Exchange through backdoor listing in August 2011.
- 2012 • Xiamen SASAC injected new capital amounted to RMB115.89 million into the Guarantor in September 2012. The new registered capital amounted to RMB1,081.7 million.
- 2013 • The Group is authorised to trade gold, silver and related products.
- Additional capital was injected into the Guarantor. The new registered capital amounted to RMB1,309.7 million.
- 2014 • Xiamen Xiangyu Construction underwent certain reorganisations and Xiangyu Real Estate Group Co., Ltd. (象嶼地產集團有限公司) was established.
- 2015 • Xiamen SASAC injected new capital to the Guarantor in 2015. The new registered capital amounted to RMB1,565.9 million.
- Xiamen Xiangyu Golden Elephant Holdings Group Co., Ltd. (廈門象嶼金象控股集團有限公司) was established in 2015. The integrated financial services business was consolidated into the Group’s businesses.
- 2016 • Additional capital was injected into the Guarantor. The new registered capital amounted to RMB1,575.9 million.

- Nantong Xiangyu Marine Equipment Co., Ltd. (南通象嶼海洋裝備有限責任公司) (“**Xiangyu Marine**”) was incorporated, with a registered capital of RMB240 million.
- 2017
- Xiamen Xiangyu had a right issuance amounted to RMB1.75 billion in December 2017.
 - The Group recorded operating revenue of over RMB200 billion.
- 2018
- The Issuer successfully issued U.S.\$500 million guaranteed notes unconditionally and irrevocably guaranteed by the Guarantor, and the Group became the first Xiamen-based state-owned enterprise to enter the international capital market.
 - The Group became the first state-owned enterprise in Xiamen to implement an employee stock ownership plan.
 - The Group was included in the Fortune Global 500 for the first time.
- 2019
- Additional capital was injected into the Guarantor. The new registered capital amounted to RMB1,675.9 million.
 - The construction of Xiangyu Group Headquarters Building started.
- 2020
- Additional capital was injected into the Group. The new registered capital amounted to RMB1,775.9 million.
 - The Group formulated its 6th “Five-Year Plan” and its corporate charter, upgraded its brand image and optimised its social responsibility model.
 - The reform of the Group has been selected as a national paradigm in Reform Examples: Case Collection of “Double Hundred Actions” for State-owned Enterprise Reform (《改革樣本：國企改革「雙百行動」案例集》) published by the National State-owned Assets Supervision and Administration Commission.
- 2021
- The Group completed its digital transformation planning and consulting project, defined the vision of digital transformation vision as well as the new three goals of “data-based business, platform-based operation, and intelligent management”.
- 2022
- The Group integrates the shipping resources of Xiamen port and builds a platform for the construction and development of the port and shipping industries.
- 2023
- The Guarantor’s sole shareholder, Xiamen Xiangyu Free Trade Zone Management Committee (Municipal State-owned Assets Supervision and Administration Commission) (廈門象嶼保稅區管委會(市國資委)), was formally renamed as Xiamen SASAC.

- The Group published its first Environmental, Social and Governance (ESG) Report.
 - Xiamen Xiangyu Construction was renamed as Xiangyu Industry Development Group Co., Ltd. (廈門象嶼產業發展集團有限公司), focusing on industrial platform investment and operation services.
- 2024 • Following a series of corporate reorganisation, Xiangyu Aluminium Co., Ltd. (象嶼鋁業有限公司) (“**Xiangyu Aluminium**”) was incorporated, with an aim to lead the world in green aluminium-based high-end manufacturing.

RECENT DEVELOPMENT

Issuance of medium-term notes in the domestic capital market in the PRC

The Guarantor plans to issue medium-term notes in the domestic capital market in the PRC in mid-July 2025, with an aggregate principal amount of not more than CNY3 billion.

Financial information as at and for the three months ended 31 March 2025

On 30 April 2025, the Company published unaudited and unreviewed consolidated financial statements as of and for the three months ended 31 March 2025 (“**First Quarter Financial Information**”) on the website of China Foreign Exchange Trade System & National Interbank Funding Centre.

As at 31 March 2025, as compared to the balance as at 31 December 2024, the Group recorded decreases in monetary funds, derivative financial assets, notes receivable, accounts receivable, contract assets, non-current assets maturing within one year and other comprehensive income. Conversely, the Group recorded increases in short-term borrowings, derivative financial liabilities, notes payable, other current liabilities, long-term borrowings, bonds payable, long-term payables, estimated liabilities and total non-current liabilities. Specifically, the Group’s derivative financial assets decreased primarily due to the decline in fair value gains on hedging contracts; the Group’s notes receivable decreased primarily due to the increase of the cash collection; the Group’s other comprehensive income decreased primarily due to the increase in losses on the effective portion of cash flow hedging contracts; the Group’s other current liabilities increased primarily due to the increase in ultra short-term notes payable; and the Group’s estimated liabilities increased primarily due to the provision for loss-making contracts. In terms of the increase in the long-term payables, the Group has confirmed that combining the change of long-term payables due within one year, there is not any significant change in the long-term payables as a whole.

For the three months ended 31 March 2025, as compared to the corresponding period in 2024, the Group recorded decreases on interest income, investment income from associates and joint ventures, other comprehensive income for the year after tax, net cash flow from financing activities, cash and cash equivalents and cash and cash equivalents at the beginning of the period. Conversely, the Group recorded increases on taxes and surcharges, finance costs, income

tax expenses, net cash outflows from operating activities and net cash outflows from investing activities. Specifically, the Group's interest income decreased primarily due to the declining market interest rates; the Group's investment income from associates and joint ventures decreased primarily due to the reduced earnings from investments in associates; the Group's other comprehensive income for the year after tax decreased primarily due to the increase in losses in the effective portion of cash flow hedging contracts; the Group's net cash flow from financing activities decreased primarily due to the decline in average financing scale; the Group's cash and cash equivalents decreased primarily due to the higher cash payments for debt repayment compared to the same period last year; the Group's taxes and surcharges increased primarily due to the increased real estate deliveries; the Group's income tax expenses increased primarily due to the profit growth driven by increased real estate deliveries; the Group's net cash outflow from operating activities increased primarily due to the investment in the Golden Elephant business segment; and the Group's net cash outflow from investing activities increased primarily due to the increase in the purchase of financial products.

The Group has confirmed that save for the line items specifically accounted for, the changes in trend in the aforementioned line items occurred in the ordinary course of business and do not have any material adverse effect.

No audit or review has been performed on the First Quarter Financial Information by the Group's independent auditors, or any other independent auditors, and therefore the First Quarter Financial Information should not be relied upon by prospective investors to provide the same quality of information associated with information that has been subject to an audit or review. Such financial information within the First Quarter Financial Information may change if it is subject to an audit or a review. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to the First Quarter Financial Information. The First Quarter Financial Information of the Guarantor as at and for the three months ended 31 March 2025 is not indicative of the financial condition or results of operations of the Group for any period of a year or any full year. The First Quarter Financial Information does not form part of this Offering Circular and should not be referred to or relied upon by prospective investors. Prospective investors must exercise extensive caution when using such information to evaluate the Group's financial condition or results of operations. See *“Risk Factors – Risks relating to the Group and its Business – The Group has published and may continue to publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular”*.

Strategic cooperation with quality investors

Pursuant to two strategic cooperation agreements entered into by Xiamen Xiangyu with China Merchants Group Co., Ltd. (招商局集團有限公司) and Shandong Port Group Co., Ltd. (山東省港口集團有限公司) respectively, the Group has introduced China Merchants Group Co., Ltd. and Shandong Port Group Co., Ltd. as strategic investors to invest in the equity interest of Xiamen Xiangyu.

The cooperation pact seeks to fulfil national strategies by strengthening the independence of the domestic supply chain and providing integrated service as part of the “Belt and Road” initiative. The Group is expected to benefit from economies of scale and synergy with the strategic investors following the strategic cooperation.

RANKING AND AWARDS

The Group has been recognised in both international and local rankings, and has amassed numerous awards, including the following:

Year	Awards
2001	<ul style="list-style-type: none"> Xiamen XMXYG International Freight Co., Ltd. (廈門象嶼集團國際貨運有限公司) was restructured into a joint-stock company, Xiamen Xiangyu Group International Freight, which was the first joint-stock logistics enterprise in Xiamen;
2010	<ul style="list-style-type: none"> the completion of Shanghai XMXYG Building (上海象嶼集團大廈) has been a milestone event for the Group to set up regional headquarters and to build marketing networks in leading port cities such as Shanghai, Tianjin and Guangzhou from 2008;
2015	<ul style="list-style-type: none"> recognised as the key leading enterprise in Heilongjiang provincial level (黑龍江省級重點龍頭企業); recognised as “good warehouse” (四無糧倉) unit by the National Food Authority; recognised as the national food products storage by Sinograin Management Company Limited (中國儲備糧管理公司);
2016	<ul style="list-style-type: none"> ranked 4th on the list of National Reserve Top 100 Enterprises (全國倉儲百強企業) by China Reserve and Delivery Association (中國倉儲與配送協會); awarded with National Grade 5A Logistics Enterprise (全國5A級物流企業) by China Logistics and Procurement Union (中國物流與採購聯合會); ranked 4th on the list of China Top 50 Logistics Enterprises (中國物流企業50強) by China Logistics and Procurement Union; recognised as Top 150 Golden Bull Investment Value (金牛投資價值150強) by China Securities News (中國證券報); recognised as the 8th round key leading enterprise in agricultural industrialisation at Fujian provincial level (福建省第八輪農業產業化省級重點龍頭企業); recognised as the advanced logistics enterprise at national level (全國物流行業先進集體); recognised as the 2014–2015 credible enterprise at the national and Fujian provincial level (守合同重信用企業);

Year	Awards
2017	<ul style="list-style-type: none"> ranked 3rd on both of the list of Xiamen Top 100 Enterprises (廈門百強企業) and the list of Xiamen Top 100 Enterprises in the Servicing Industry (廈門百強服務業企業) by Xiamen Enterprises and Enterprises Union (廈門企業和企業家聯合會); ranked 1785th on the list of Top 2000 Global Listed Companies by Forbes; ranked 57th on the list of China Top 500 Enterprises by Fortune and China International Capital Corporation Wealth Management Team; ranked 130th on the list of China Top 500 Enterprises (中國企業500強), and ranked 59th on the list of China Top 500 Enterprises in the Servicing Industry (中國服務業企業500強) by China Enterprises Union;
2018	<ul style="list-style-type: none"> ranked 375th on the list of Fortune Global 500 Enterprises by Fortune; ranked 92nd on the list of China Top 500 Enterprises by China Enterprises Union; ranked 3rd on the list of Xiamen Top 100 Enterprises by Xiamen Enterprises and Entrepreneurs Association; awarded with Xiamen Credit Grade A Logistics Enterprise in Xiamen Free Trade Zone (廈門自貿片區信用A級物流企業) by Xiamen Logistics Association (廈門市物流協會);
2019	<ul style="list-style-type: none"> ranked 338th on the list of Fortune Global 500 Enterprises by Fortune; ranked 84th on the list of China Top 500 Enterprises and 45th on the list of China Top 500 Enterprises in the Servicing Industry by China Enterprises Union; ranked 143rd on the list of China Top 500 Most Valuable Brands (中國500最具價值品牌) by World Brand Lab (世界品牌實驗室); ranked 4th on the list of Fujian Top 100 Enterprises (福建省百強企業) by Fujian Enterprises and Entrepreneurs Association (福建企業和企業家聯合會); ranked 3rd on the list of Xiamen Top 100 Enterprises by Xiamen Enterprises and Entrepreneurs Association;
2020	<ul style="list-style-type: none"> Xiamen Xiangyu ranked 1,574th on the list of Forbes Global 2000 (全球上市公司2000強) by Forbes (福布斯);

Year	Awards
	<ul style="list-style-type: none"> ranked 2nd on the list of China Top 50 Logistics Enterprises (中國物流企業50強) by China Federation of Logistics and Purchasing;
2021	<ul style="list-style-type: none"> ranked 189th on the list of Fortune Global 500 Enterprises by Fortune; ranked 131st on the list of China 500 Most Valuable Brands by World Brand Lab; ranked 77th on the list of China Top 500 Enterprises and 33rd on the list of China Top 500 Enterprises in the Servicing Industry by China Enterprises Union; ranked 4th on the list of Fujian Top 100 Enterprises by Fujian Enterprises and Entrepreneurs Association; ranked 3rd on the list of both Xiamen Top 100 Enterprises and Xiamen Top 100 Enterprises in the Servicing Industry by Xiamen Enterprises and Entrepreneurs Association;
2022	<ul style="list-style-type: none"> ranked 160th on the list of Fortune Global 500 Enterprises by Fortune; ranked 125th on the list of China 500 Most Valuable Brands by World Brand Lab; ranked 52nd on the list of China Top 500 Enterprises and 30th on the list of China Top 500 Enterprises in the Servicing Industry by China Enterprises Union;
2023	<ul style="list-style-type: none"> ranked 142th on the list of Fortune Global 500 Enterprises by Fortune; ranked 125th on the list of China 500 Most Valuable Brands by World Brand Lab; ranked 43rd on the list of China Top 500 Enterprises and 23rd on the list of China Top 500 Enterprises in the Servicing Industry by China Enterprises Union;
2024	<ul style="list-style-type: none"> ranked 187th on the list of Fortune Global 500 Enterprises by Fortune; ranked 101th on the list of 500 Most Valuable Chinese Brands by GY Brand; and ranked 54th on the list of China Top 500 Enterprises and 26th on the list of China Top 500 Enterprises in the Servicing Industry by China Enterprises Union.

BUSINESS OPERATIONS

Established in November 1995 under Xiamen SASAC, the Guarantor was the first pilot state-owned enterprise adopting an asset and operation integration business model in Xiamen and one of the first batch of units which has undergone the state-owned capital investment company reform pilot scheme. It is one of the largest state-owned enterprise in Xiamen and a leading enterprise in the Xiamen Area of China (Fujian) Pilot Free Trade Zone, as well as the development and operation platform of Xiamen Xiangyu Free Trade Zone, Xiamen Modern Logistics Park and Xiamen Dadeng-to-Taiwan Small Commodity Trading Market. Over years of growth, the Group has developed into a vast conglomerate with its businesses including (i) commodity supply chains service, (ii) urban development and operation, (iii) integrated financial services and (iv) other businesses.

The following table sets forth details of the operating revenue contribution of each business segment of the Group for the years indicated:

	For the year ended 31 December					
	2022		2023		2024	
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Commodity supply chains service	553,513	98.38	477,784	97.41	380,116	91.28
Urban development and operation	5,700	1.01	8,344	1.70	31,941	7.67
Integrated financial services	1,860	0.33	2,179	0.44	2,172	0.52
Other businesses	1,547	0.28	2,191	0.45	2,185	0.53
Total	562,622	100.00	490,498	100.00	416,415	100.00

Commodity Supply Chains Service

Overview

Committed to serving the national strategic planning and regional economy, the Group offers whole-value-chain circulation services to its customers, including procurement and distribution, door-to-door logistics, inventory management, supply chain finance, warehousing and information consulting. Adhering to the strategic thinking of “basing on the supply chain, serving the industrial chain, and creating the value chain” (立足供應鏈、服務產業鏈、創造價值鏈), building a four-in-one integrated supply chain service platform, Xiangyu Digital Intelligence Supply Chain Comprehensive Service Platform (象嶼數智供應鏈綜合服務平臺), which combines “logistics flow, business flow, capital flow, and information flow”, and extending upstream and downstream along the industry chains, the Group provides China’s manufacturing sector with all-round supply chain solutions under its characteristic “whole-industry-chain service model”, thereby focusing on building a safe, stable, smooth and efficient industrial chain and supply chain system to create a mutually beneficial and win-win value ecosystem.

The four-in-one integrated supply chain service platform consolidates four core service capabilities of the Group:

- **Logistics flow:** The supply chain logistics services of the Group is provided through a logistics and resources network, connecting highways, railways, shipping and warehouses. Such combined mode of transportation, supported by the Group's intelligent logistics service platform, forms the core logistics services of the Group.
- **Business flow:** The supply chain business services of the Group is diversified and comprehensively distributed across various regions, providing customers with a rich variety of business services. The Group is also well-connected to upstream and downstream channels along the supply chain, strengthening the Group's purchasing and sales capabilities.
- **Capital flow:** The capital flow of the Group is well supported by a diversity of financing channels and the strong credit rating of the Guarantor. The Group also provides a rich variety of supply chain finance services.
- **Information flow:** With the intelligent logistics service platform, the Group is able to process massive data and conduct industry research and analysis.

The commodity supply chains service is the largest business segment of the Group in terms of operating revenue, which amounted to approximately RMB553,513 million, RMB477,784 million and RMB380,116 million, respectively, for the years ended 31 December 2022, 2023 and 2024, representing approximately 98.38 per cent., 97.41 per cent and 91.28 per cent., respectively, of the Group's operating revenue for the same years. The Group provides in commodity supply chains service through, among others, Xiamen Xiangyu, Heilongjiang Golden Elephant Biochemical Co., Ltd. (黑龍江金象生化有限責任公司) (“**Heilongjiang Golden Elephant**”) Xiangyu Aluminium, Xiangyu Marine, Xiamen Zhuoyu Supply Chain Management Co., Ltd. (廈門卓嶼供應鏈管理有限公司) and PT Obsidian Stainless Steel (PT OSS印尼不鏽鋼冶煉一體化公司). The Group's commodity supply chains service can be further divided into commodity operation service and commodity logistics service.

Commodity Operation

Overview

Commodity operation is a principal business of the Group and also one of the earliest industries that the Group has engaged in. The Group's commodity operation business mainly targets industrial customers in the supply chain of commodities, and is primarily operated by Xiamen Xiangyu. Leveraging on its position as a full supply chain service provider, the Group has established extensive strategic partnerships with various domestic and overseas large and medium-sized enterprises, forming a nationwide market network centred on major cities such as Xiamen, Shanghai, Guangzhou, Tianjin, Qingdao and Dalian.

Over the years, in reliance on the Xiangyu Digital Intelligence Supply Chain Comprehensive Service Platform (象嶼數智供應鏈綜合服務平臺), the Group keeps expanding its product

categories along the upstream and downstream of the industry chain, growing its business scale and gradually forming its own industry chain of its seven types of core products, namely ferrous metals, aluminium, stainless steel, renewable energy products, coal, oil products and grains. With a rich and diverse portfolio of commodities and a mature and stable global channel network, the Group provides customers with a package of one-stop service solutions.

In particular, the Group is committed to tackling the long-standing problems faced by its customers in the supply chain services and providing the corresponding solution via digital means. For instance:

- With an aim to increase market share, improve service efficiency and upgrade its service model, the Group establishes the Yuliantong (嶼鏈通) Digital Supply Chain Service Platform (the “**Yuliantong Platform**”) by integrating its enormous volume of business data, rich customer resources and diversified application scenario. The Yuliantong Platform consists of Yucangrong (嶼倉融), Yucairong (嶼采融), Yuturong (嶼途融) and Yushurong (嶼數融), through which the Group connects its clients and the financiers by providing the former with digital asset proof (such as electronic warehouse receipt) and the latter with inventory management and risk management, in return for a service fee. As at the year ended 31 December 2024, credit lines of approximately RMB13.7 billion have been extended to the customers, among which RMB3.6 billion were used that year.
- In cooperation with the Alibaba Group, the Group has set up the Xiangyu Agricultural Industry-Level Supply Chain Service System (象嶼農業產業級供應鏈服務系統), realising the digitisation of the entire chain including grain planting, warehousing, circulation and processing, thereby forming a service layout that integrates agricultural services, agricultural planting, agricultural finance, grain storage, logistics and transportation, raw grain supply and raw grain processing, as well as achieving differentiated competitive advantages in “first-hand grain, diversified grain, high-speed network and the entire industrial chain” (一手糧、多元糧、高速網、全產業鏈). In the upstream of the industry chain, the Group has created a grain planting industry alliance (糧食種植產業聯盟), and provides farmers with agricultural material procurement and sales services, agricultural technology consulting services and agricultural product storage services through the Xingxing Xiangnong (興興象農) application, with an aim to solve the problems of primitive channels, multiple trade links and information asymmetry that are common in the industry, and to strengthen the control of first-hand grain sources and the ability to expand varieties. In the middle of the industry chain, the Group has created a grain warehouse alliance (糧食倉點聯盟) and integrates third-party storage warehouses in other regions, rendering the storage network of its customers denser, wider and deeper, thereby effectively solving the problems of difficulty in selling and storing grain in the industry. In the downstream of the industry chain, the Group has created a grain circulation industry alliance (糧食流通產業聯盟), realises cross-regional adjustment of raw grains of different qualities through the north-south grain transportation logistics service system, meets the needs of feed, breeding and deep processing enterprises in different regions, and resolves time and space mismatch between production and consumption in the industry.

As mentioned, the Group offers whole-value-chain circulation services to its customers, including procurement and distribution, door-to-door logistics, inventory management, supply

chain finance, warehousing and information consulting. Not only can it coordinate and liaises with multiple parties (such as suppliers, manufacturers, logistics providers and distributors) in serving its customers, but it can also add value to the production cycles and improve the overall return level, thereby providing its customers a better buffer against impact of cyclical fluctuations in the industry.

The core products in the four key industrial chains of the Group can be categorised into energy and chemical products, metal and minerals, food resources and agricultural products, renewable energy products and other miscellaneous products. The following table sets forth details of the operating revenue breakdown in terms of the categories of the Group's core commodities for the years indicated:

	For the year ended 31 December					
	2022		2023		2024	
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Energy and chemical products	91,885	17.65	86,812	19.76	80,056	23.19
Metal and minerals	349,079	67.04	271,505	61.81	214,913	62.24
Food resources and agricultural products . . .	51,969	9.98	60,653	13.81	40,197	11.64
Renewable energies products	25,070	4.81	19,244	4.38	9,252	2.68
Others	2,676	0.51	1,010	0.23	859	0.25
Total	520,679	100.00	439,225	100.00	345,278	100.00

Energy and Chemical Products Operation

Overview

The Group's energy and chemical products operation business primarily focuses on the sale of plastics (polyethylene (PE), polypropylene (PP), polyvinyl chloride (PVC), etc.), organic chemicals (methanol, toluene, etc.), polyester raw materials (purified terephthalic acid (PTA) and coal. The Group focuses on its sales in locations such as Jiangsu, Zhejiang, Fujian, Guangdong and Shanghai, and continues to extend its trading network in north China, east China and south China regions through its regional logistics facilities.

The Group primarily sells energy and chemical products directly to downstream manufacturers. However, the Group also cooperates with several major traders on the market as a back-up sales channel for a portion of energy and chemical products.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's energy and chemical products operation business amounted to approximately RMB91,885 million, RMB86,812 million and RMB80,056 million, respectively.

Operation of Major Energy and Chemical Products

With respect to the operation of major energy and chemical products, the Group reaches strategic cooperation with upstream suppliers and downstream customers, locks in high-quality procurement and sales channels, and relies on large-span and multi-link logistics service capabilities to provide energy and chemical products supply chain services. The Group maintains a close working relationship with its customers, such as Saudi Aramco, ExxonMobil, Mercuria, China Coal Energy, China Huaneng, State Energy Group, State Power Investment Corporation, China Resources Power, Sinopec, PetroChina, Sinochem Group and Hengli Petrochemical. Over the years of business growth, the Group's trading volume of plastics and polyester as well as the import volume of coal rank in the forefront in the PRC.

Metal and Minerals Operation

Overview

The Group's metal and minerals operation business primarily focuses on the sale of steel (long products, plates and profiles), non-ferrous metals (silver, copper, aluminium, zinc, nickel, chromium) and ore sand. For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's metal and minerals operation business amounted to approximately RMB349,079 million, RMB271,505 million and RMB214,913 million, respectively.

Business Model

The Group provides customers with one-stop services, including the procurement and supply of raw and auxiliary materials, sales, transportation, distribution and warehousing. The Group maintains a close working relationship with its customers, such as Glencore, Rio Tinto, Trafigura, Wuhan Iron and Steel Group, Tsingshan Holdings, Shandong Hong Wang, China Aluminium, Jinjiang Group and Tianshan Aluminium. Relying on the cooperation with such giant customers, the Group has established a whole-process supply chain management service (virtual factory) model for small and medium-sized manufacturing enterprises through empowerment in scale, management, finance and logistics. It has successfully applied the whole-process supply chain management service (virtual factory) model in products such as steel and aluminium, and manages twelve projects under such business model.

The Group primarily sells metal and minerals directly to downstream manufacturers, while a portion of the steel is sold to distributors or locked.

In recent years, the Group has been actively expanding its market share in the aluminium industrial chain, operating primarily through Xiangyu Aluminium. Its predecessor, Liaoning Zhongwang Group Co., Ltd (遼寧忠旺集團有限公司), was founded in 1993 and has had a leading role in the research and development and manufacturing of aluminium in China and Asia. It was once ranked as the largest in Asia and the second largest across the globe in the research and development and manufacturing of aluminium. The core business of Xiangyu Aluminium focuses on the following four areas:

- *Electrolysis of aluminium:* With nearly 600 electrolytic aluminium cells, all production process indicators of Xiangyu Aluminium are in the leading position in the industry, and can continuously provide high-quality raw materials for downstream aluminium processing, with a current production capacity of approximately 890,000 tonnes.
- *Extrusion of aluminium:* It enjoys the advantages of the economies of scale, high production capacity, full varieties and high degree of modernisation. It mainly produces ultra-wide hot-rolled coils, cold-rolled coils, quenched thin coils, ultra-wide, ultra-thick, ultra-long medium and thick plates, automotive plates and other related products, with a current production capacity of approximately 1.8 million tonnes.
- *Rolling of aluminium:* Having mastered the four core production links of alloy casting, mould manufacturing, extrusion equipment and product research and development, Xiangyu Aluminium can independently complete the entire process of industrial aluminium extrusion, with a current production capacity of approximately 1.45 million tonnes.
- *Deep processing of aluminium:* With comprehensive capabilities in material research and development, process design, manufacturing and full-process services, Xiangyu Aluminium has tapped into a variety of emerging fields including building formwork, renewable energy vehicles, rail transit and all-aluminium furniture.

In 2024, Xiangyu Aluminium recorded a sale volume of bauxite of approximately over 10 million tonnes, of which 7.4 million tonnes had been imported from Africa, and a sale volume of alumina of approximately 7 million tonnes, with its market share ranked as one of the top three in China.

Sales Channels and Distribution Facilities

The Group's sales channels and distribution facilities are mainly located in east China, north China, central China and south China. In east China, centred in Shanghai, the Group's distribution hubs extend to Jiangsu and Zhejiang. In north China, the Group's distribution hubs are located in Tianjin, Hebei, Inner Mongolia and Shanxi. In central China, the Group's distribution facilities are centred in Henan and extend to surrounding areas. In south China, the Group's distribution facilities are centred in Guangdong and extend to surrounding areas.

In addition, the Group has recently expanded its sales channels and distribution facilities to Xi'an and southwest China.

Overview

The Group's food resources and agricultural products operation business primarily focuses on the sale of grains (corn, rice, soybean), food raw materials (oil, sugar, milk powder, etc.), feed raw materials (fish meal, whey powder, etc.) and forest products (logs, sawn timber, wood pulp, etc.).

With a vision to alleviate farmers' difficulties in food selling and to promote agricultural transformation, the Group started its investment in warehousing and trading in the agricultural business in Heilongjiang in 2013, and expanded to deep processing in 2015. The Group adopted "North-to-South Food Transport" (北糧南運) to extend its food supply chain. On 10 March 2009, the State Council issued the Notice of the State Council of the People's Republic of China on Printing and Distributing the Planning for the Adjustment and Revitalisation of Logistics Industry (國務院關於印發物流業調整和振興規劃的通知), which states that all regions and all departments shall accelerate the construction of modern logistics facilities for grain, establish inter-provincial logistics channel for grain and important logistics nodes. Financial investment shall be increased to accelerate the construction of projects of "North-to-South Food Transport" to strengthen balance of urban and rural areas, promote rural logistics projects. The Group focuses on food security and has developed into an integrated agricultural supply chain service provider, covering businesses such as seed growing, fertiliser, co-operative association, plantation, warehousing, logistics, integrated financial services, trading and food processing.

Aiming at resolving mismatch between grain production and storage capacity in Heilongjiang, the Group is committed to solving the problems of farmers' difficulty in selling, storing and protecting grain, and cooperates with local state-owned and private enterprises to encourage investment in the region, thereby serving the strategic decision of Heilongjiang in its transformation from a major grain-producing province to a strong province in deep processing. Relying on market-oriented recruitment to build a professional team in a short period of time and being Xiamen's first state-owned enterprise to pilot employee shareholding scheme, the Group enhances cohesion and sense of belonging of its employees.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's food resources and agricultural products operation business amounted to approximately RMB51,969 million, RMB60,653 million and RMB40,197 million, respectively.

Business Model

The Group is deeply involved in each process of planting, harvesting, storage and transportation of grains with standardised and professional operation. The Group procures seeds, fertiliser, equipment and other materials from integrated procurement channels, carries out planting based on actual customer order (demands), takes full use of food banks to facilitate financing, conducts efficient promotion and advertising measures, and achieves efficient drying and screening of grains in China. The Group has greatly reduced marginal operating costs, improved the operational efficiency of the industry chain and increased profits.

The Group sells its food resources and agricultural products directly to key downstream customers as well as other traders.

In recent years, the Group has committed to building a full industrial chain service mode, with an aim of building an effective and win-win platform between farmers and the consumers, as well as improving the productivity of agriculture, the income of the farmers and therefore the tax income of the government. There are four core components of the industrial chain, namely:

- *Cooperative agriculture*: It is committed to creating a comprehensive planting service platform, with the peak planting area of approximately 5 million mu, generating income for over 250,000 farmers.
- *Grain purchasing and storage*: It has the benefit of seven major grain procurement platforms and self-owned and cooperative storage capacity of approximately 13 million tonnes. Occupying over 360 million sq.m, it has a daily drying capacity of approximately 60,000 tonnes.
- *Grain circulation*: It has integrated the “road, railway and sea” (公、鐵、海) system and adopted “North-to-South Food Transport” (北糧南運), creating a consumption market network in the Yangtze River Delta, the Pearl River Delta, and the middle and upper reaches of the Yangtze River.
- *Grain deep process*: With strong research and development capabilities, it has the largest corn starch processing production line in Asia and the largest monomer thiocyanate and tryptophan production line in the world, with a current production capacity of approximately 3.4 million tonnes, playing a leading role in Heilongjiang. It also develops the soybean crushing business to realise the extension of the industrial chain from importation of soybeans to soybean oil and soybean meal processing.

Milestone Projects

In August 2015, the Group established Heilongjiang Golden Elephant with an investment amount of RMB7.2 billion to spearhead the development of the Group’s 300-tonnes corn deep processing project. The project is headquartered in the Group’s Golden Elephant Biochemical Platform in Harbin (哈爾濱金象生化平臺) and is developed in its research and testing centres. With strong research and development capabilities, this project has been the largest monomer corn starch processing line in Asia, and the largest monomer threonine and tryptophan production line in the world. Production from this project takes place in Group’s industrial parks in Suihua City, Fujin City and Beian City in Heilongjiang Province, and primarily supplies starch, polysaccharides, amino acids and functional feeds to over 1,000 customers. The project has a corn processing capacity of approximately 3.2 million tonnes and is operated by over 3,000 staff. For the year ended 31 December 2024, the project generated operating income of approximately RMB10.5 billion and net profit of approximately RMB128.7 million.

Sales Channels

The Group integrates the planting resources of corn and other raw grains in Heilongjiang, Jilin, Liaoning and Inner Mongolia, and establishes a sales centre in Bohai Bay to provide high-quality grain resources for sales in the Beigang region, north China, east China, south China and central China. For its feed raw materials, the Group relies on its members in Shanghai, Tianjin and Guangzhou, to serve the markets in east China, central China, north China, northeast China, northwest China, south China and southwest China. For the oil products, the Group relies on four major ports of Guangzhou, Tianjin, Zhangjiagang and Xiamen, to serve the markets of south China, east China, north China and Fujian, respectively.

Renewable Energies Products

With respect to the operation of new energy products, the Group focuses on two major areas of batteries and photovoltaics. In terms of batteries, its major products include raw materials for batteries such as cobalt, lithium, and nickel, and its customers covers various regions in the PRC. In terms of photovoltaics, its customers range from photovoltaics power stations in the PRC to overseas customers in Europe and Middle Asia.

Procurement

The Group has established long-term and good partnerships with well-known manufacturers in the industry of the Group's core products, and has become an important procurement distributor. As a result, the Group has ensured the high quality and stability of its product supply.

In terms of procurement pricing, in addition to one-to-one negotiation, the Group vigorously promotes long-term cooperation with suppliers, and negotiates over the settlement model. Through formula pricing, secondary pricing, pre-arrival pricing quotation and other methods, the Group efficiently controls the risk of price fluctuations.

Due to the relatively large order volume of the Group, it often has a strong bargaining power in negotiations. The price offered to the Group will be lower than or equal to the advantageous price of the industry, so as to achieve stable profit. The accounting period is basically within three months, mostly around 30 days.

Profit Model

The Group has built a stable profit basis and focuses on service profit and transaction income.

- **Service profit:** leveraging on the advantages of its platform and its large-scale operation, the Group provides customers with comprehensive value-added services such as procurement, processing, logistics and distribution, supply chain finance and information consultation, thereby earning service fees.

- **Transaction income:** leveraging on the economies of scale, the Group gains cost advantages through centralised procurement and professional operations, thereby reducing operating costs and earning transaction profits. Moreover, relying on its research and development capabilities, the Group regularly analyses commodity price trends and regional price differences, thereby earning profit.

Settlement Methods

The Group implements stringent management and control measures in terms of settlement in order to effectively control business risks.

The Group generally settles with upstream suppliers on the basis of payment on delivery or prepayments by bank acceptance bills. The Group makes prepayments primarily with large-scale state-owned enterprises and customers of whole-process supply chain management.

The Group generally settles with downstream customers on the basis of payment on delivery, by means of letter of credit and bank acceptance bills. A small amount of credit sales may be offered to customers after risk assessment. The Group requires customers to pay a certain percentage of the margin, and if the price of the traded goods fluctuates greatly, the Group will increase the margin proportion or require downstream customers to make up the margin accordingly. At the same time, the Group requires the purchased goods to be stored in its designated warehouse, and downstream customers can only pick up the goods after paying the remaining amount.

Suppliers and Customers

Over the years, the Group has established stable relationships with its key upstream suppliers and downstream customers in its commodity operation business. The Group's customers include circulation customers (流通型客戶) and industrial customers. In recent years, the Group has actively adjusted its customer structure, gradually increased the proportion of industrial customers, and increased the proportion of long-term contracts with its customers to achieve stable and sustainable growth.

The Group's downstream customers are relatively scattered, and the degree of dependence on a single customer is low. The following table illustrates the Group's top five downstream customers in terms of sales amount in its commodity operation business for the years ended 31 December 2022, 2023 and 2024, respectively. None of the customers above is a related party of the Group.

For the year ended 31 December 2022		
Customers	Sales Amount	% of Operating Revenue
	<i>(RMB in millions)</i>	
1	13,716	2.55
2	11,150	2.07
3	9,262	1.72
4	6,447	1.20
5	6,126	1.14

For the year ended 31 December 2023		
Customers	Sales Amount	% of Operating Revenue
	<i>(RMB in millions)</i>	
1	12,575	2.74
2	7,147	1.56
3	5,744	1.25
4	5,700	1.24
5	5,696	1.24

For the year ended 31 December 2024		
Customers	Sales Amount	% of Operating Revenue
	<i>(RMB in millions)</i>	
1	6,358	1.73
2	5,568	1.52
3	5,504	1.50
4	5,107	1.39
5	4,172	1.14

The Group's upstream suppliers are also relatively scattered, and the degree of dependence on a single supplier is relatively low. The following table illustrates the Group's top five upstream suppliers in terms of procurement amount in its commodity operation business for the years ended 31 December 2022, 2023 and 2024, respectively.

For the year ended 31 December 2022		
Suppliers	Procurement Amount	% of Total Procurement Amount
	(RMB in millions)	
1	52,557	9.85
2	14,043	2.63
3	8,362	1.57
4	5,154	0.97
5	4,651	0.87

For the year ended 31 December 2023		
Suppliers	Procurement Amount	% of Total Procurement Amount
	(RMB in millions)	
1	50,241	11.20
2	12,464	2.78
3	9,156	2.04
4	5,603	1.25
5	4,393	0.98

For the year ended 31 December 2024		
Suppliers	Procurement Amount	% of Total Procurement Amount
	(RMB in millions)	
1	9,813	2.75
2	7,139	2.00
3	4,533	1.27
4	4,283	1.20
5	4,061	1.14

Commodity Logistics Service

Overview

Commodity logistics service is a core business sub-segment of the Group. By consolidating assets (be it fixed assets or movable assets) owned by itself and other parties, the Group has built an intelligent logistic service system of “road, railway, water and warehouse” (公、鐵、水、倉) to connect the domestic and overseas markets, including a national railway transportation network, a national road transportation network, a waterway transportation network from key ports to the routes of the “Belt and Road” and warehousing clusters for bulk commodities in the eastern coastal areas and in the central and western areas, thereby enabling the Group to provide its customers with high-quality, full-process, customised commodity logistics service and

multimodal transport integrated solutions. The Group's commodity logistics service has generated stable and sustainable profitability and has gradually become a growth point for the Group's future revenue and profits.

- Domestically, the Group provides its customers with services such as warehouse processing, storage yard service and supply chain finance service.
- When it comes to international freight transitioning, the Group provides its customers with one-stop services, ranging from booking and customs and clearance to container shipping (whether with self-owned containers or not), bulk sea transportation, international ship leasing and rail-sea transportation. These are achieved by international flight, international shipping and China-Europe Rail.
- In the overseas market, the Group offers services such as warehouse processing, storage yard service and multi-modal transportation (by land, by sea and/or by air), allowing its customers to tap into the overseas market in Indonesia, Vietnam, Thailand and New Zealand.

The Group actively promotes the horizontal coordination of bulk commodity logistics services and bulk commodity operation services, and has formed a good development trend of “promoting trade with logistics and promoting logistics with trade” (以流促貿，以貿促流).

The Group's commodity logistics service can be further divided into comprehensive logistics service, agricultural product logistics service and railway logistics service. In recent years, the Group also expanded its overseas business of nickel smelting and stainless steel manufacturing by undertaking the Indonesia Stainless Steel Project, a landmark project for the Group to realise the goal of “Going Global”.

Comprehensive Logistics Service

Overview

The Group has built complete infrastructure, including storage yards, warehouses and professional logistics parks for its comprehensive logistics service. The Group has gradually cultivated a comprehensive logistics service system integrating warehousing, transportation and distribution, domestic trade and shipping, international freight agency, import customs clearance, storage yard service, port service, parks operation and other services. The Group has self-operated storage yards of approximately 432,700 sq.m. in five port areas in Xiamen, Fuzhou and Shanghai, and self-operated warehouses of approximately 151.09 million sq.m. in major port areas in Xiamen, Shanghai Baoshan District, Guangzhou Huangpu District, Qingdao Huangdao District and Jinzhou Port. The Group has over 1,000 self-owned transportation vehicles, with a carriage capacity of approximately 23 million tonnes, and has 5 self-owned dual-purpose vessels, with a carriage capacity of approximately 25 million tonnes. The Group has also developed, constructed and is operating eight professional logistics parks in Xiamen, Jinjiang, Fuzhou and Tangshan, including Xiamen International Shipping Centre (廈門國際航運中心), Xiamen Xiangyu Logistics Distribution Centre (廈門象嶼物流配送中心), Xiamen Xiangyu Hardware Electromechanical Logistics Distribution Centre (廈門象嶼五金機電物流集散中心), Fuzhou

Xiangyu Logistics Park (福州象嶼物流園區) and Tangshan Xiangyu Zhengfeng Logistics Park (唐山象嶼正豐物流園區), with an aggregate area of approximately 836,000 sq.m.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's comprehensive logistics service amounted to approximately RMB6,397 million, RMB5,541 million and RMB6,171 million, respectively.

The Group's comprehensive logistics service can be further divided into port loading and unloading, yard service, warehouse service, custom clearance, delivery and professional logistics park operation.

Port Loading and Unloading

The Group owns more than 100 trailers mainly in Xiamen and Fuzhou ports, and ranks among the top in the container transportation market at Xiamen ports. In addition, the Group has established close relationships with Xiamen Modern Terminal Co., Ltd. (廈門現代碼頭有限公司) and Xiamen Container Terminal Group Co., Ltd. (廈門集裝箱碼頭集團有限公司) to provide customers with high-quality, efficient, safe and convenient port loading and unloading service.

By providing port loading and unloading and storage yard services to customers, the Group obtains port miscellaneous service fees, lifting and unloading fees, repair fees, storage fees and operation service fees, etc.

Vessel Building

The Group primarily conducts its vessel building business via Xiangyu Marine, which focuses on building vessels with displacement tonnage of below 100,000 tonnes, including bulk carriers, chemical tankers and crane vessels. It also engages in the business of slipway construction, material quays, outfitting quays, cranes and other lifting equipment. It adopts a construction and supervision model, reflecting the vessel owners' high recognition of the Xiangyu Marine's construction technology and quality reputation. The management efficiency of the Xiangyu Marine in this business segment is also leading, with the construction period of the series of bulk carriers setting a new record. The shortest slipway loading period is 57 days and the shortest dock loading period is 74 days, which represents a reduction by 3 days and 10 days respectively as compared with 2024. The shortest launch period of vessels built by Xiangyu Marine is 29 days, which is 26 days ahead of the plan in 2024.

Since the commencement of business, Xiangyu Marine has received a cumulative number of orders of over 196 vessels, realising a production value of over RMB21.6 billion. Xiangyu Marine is also renowned for building environmentally friendly and energy-saving system bulk carriers, thereby becoming the industry benchmark for vessels of 63,500 deadweight tonnage and accounting for the second largest market share of the same, i.e. 11%. In 2024, Xiangyu Marine also entered into contracts with the world's largest chemical ship owner, Stolt Nielsen, for building six stainless steel chemical tankers with 38,000 deadweight tonnage.

Yard Service

The Group provides customers with safe, efficient and convenient container storage, lifting and unloading services throughout the year. The Group also provides pre-trip inspection and commercial inspection services for reefer containers, and 24-hour uninterrupted tracking, supervision and maintenance services at ports. The Group charges yard service fees from its customers.

Warehouse Service

The Group manages self-operated and chartered warehouses across the country. It provides customers with warehousing service and related services such as loading and unloading, processing and leasing, and obtains warehousing management fees, preliminary processing fees and leasing fees.

Custom Clearance

The Group has its own customs declaration agency in 17 ports, providing customs clearance services throughout the country. It has two customs brokers at Xiamen port, namely Xiangyu Customs Broker (象嶼報關行) and Express Customs Broker (速傳報關行), and facilities in Dongdu, Haicang, bonded areas and bonded logistics parks of Xiamen, covering the main shipping customs areas in Xiamen. It provides customers with efficient customer clearance services and charges service fees from its customers. General trade clearance usually takes no more than three business days.

Delivery

The Group has signed long-term cooperation agreements with logistics providers at major domestic ports, built its own online freight platform, maintained a good strategic partnership with domestic bulk cargo and container shipping companies, and established close working relationship with well-known international shipping companies. The Group has a completed overseas agency network, secures storage spots on the main routes, and provides customers with large-volume, long-distance and low-cost waterway transportation service. Xiangyu Logistics Distribution Centre Co., Ltd. (廈門象嶼物流配送中心有限公司), a subsidiary of the Guarantor, undertakes the first large-scale distribution project in Xiamen that integrates the functions of inter-city distribution and freight station. It has a warehouse of 23,000 sq.m., a freight station of 32,000 sq.m. and a supporting parking lot of 6,000 sq.m. Nearly 200 large and medium-sized logistics lines and distribution companies have been integrated, covering 90 per cent of the land transportation network from Xiamen to other domestic cities. It is the largest road transportation distribution centre in Fujian Province, providing customers with flexible and efficient delivery services.

The Group charges transportation fees or agency fees from its customers by providing container transportation, loading and unloading, short-term transportation and railway transportation agency service.

Professional Logistics Park Operation

By providing customers with comprehensive logistic park operation service, the Group obtains rental income, property fees, advertising fees, parking fees and other service fees.

Agricultural Product Logistics Service

Overview

With respect to agricultural products logistics service, the Group has successively built a comprehensive planting service platform, an intelligent logistics service platform and a diversified procurement and distribution platform by continuously extending the industry chain and integrating the production, circulation and consumption. In the upstream of the industry chain, it provides land transfer, fertiliser and agricultural machinery services and cooperative planting services. In the middle of the industry chain, it provides circulation services in various processes such as grain procurement, drying, warehousing and transportation. In the downstream of the industry chain, it provides agricultural product procurement and supply services to deep processing enterprises, aquaculture and feed production enterprises and builds a comprehensive service platform for the entire industry chain.

The Group has strategically built a logistics service system that connects grain production areas, port areas and sales areas. In the grain production area, the Group has continued to invest in the construction of seven major grain procurement platforms, equipped with drying equipment, special railway lines and other transportation resources. The Group has also connected the production area and the port area by expanding the railway logistics and storage capacity, and further integrating route resources. In the sales area, the Group continues to improve distribution and sales channels.

The Group takes Yi'an, Fujin, Nenjiang, Nehe, Wudalianchi, Bei'an and Suihua as its core platform in the grain production area, equipping its facilities with drying equipment, special railway lines and other resources. As at 31 December 2024, the Group's self-owned and shared warehouse capacity has exceeded 12 million tonnes. Through the multimodal transportation of "highway, railway and sea", the Group has improved the logistics system of grain transportation from north to south. As at 31 December 2024, the Group has 20 exclusive railway lines.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's agricultural product logistics service amounted to approximately RMB312 million, RMB290 million and RMB249 million, respectively.

Business Model

Relying on its five major grain purchasing platforms and a logistics service system for transporting grain from north to south, the Group provides its upstream and downstream customers with various grain logistic services including loading and unloading, drying, warehousing, and multimodal transportation by highway, railway and waterway. The Group charges loading and unloading, storage and transportation service fees from its customers and usually settles with its customers by cash or bank remittance after completion of service.

In addition, the Group engages in national temporary grain storage business. The Group purchases grain, which mainly comprises of rice, from farmers according to the purchase and storage price stipulated by the government. After drying and storage, the Group transports grain to designated grain depot. Grain will be gradually released from the warehouse within three years afterwards. The Group is entitled to subsidies for grain collection, drying, storage, and warehouse costs, which are settled with relevant government authorities by bank remittance on a monthly basis.

Railway Logistics Service

Overview

The Group started its railway logistics service business in June 2017, by joint venture with Xiamen Wudiangang Logistics Supply Chain Co., Ltd. (廈門五店港物流供應鏈有限公司) to establish Xiangdao Logistics Group Co., Ltd. (象道物流集團有限公司) (“**Xiangdao Logistics**”), at which time the Group held 40 per cent. of the shares of Xiangdao Logistics. In May 2018, the Group achieved control of Xiangdao Logistics by acquiring another 20 per cent. of its shares, and has obtained core assets of railway logistics network thereafter.

The Group has a railway freight yard equipped with a special railway line along the railway line hub in the bulk commodity distribution area in central and western China. It has built the multimodal logistics service system of maritime transport, river transport, railway transport and automobile transport from north to south, from east to west and from the coast to the inland. As at 31 December 2024, the Group built railway freight yards (equipped with railway special lines) along the trunk lines of railway hubs in bulk commodity distribution areas such as Xianyang, Sanmenxia, Gongyi, Anyang, Gao'an, Lixian, Huangyuan and Guizhou Xifeng. It owns 12 railway freight yards and stations, 87 exclusive railway lines, more than 3.8 million sq.m. of container yards and warehouses and more than 30,000 self-owned containers, providing an annual transportation capacity of more than 57 million tonnes, covering more than 80% of the China-Europe Rail operation platform in the country.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's railway logistics service business amounted to RMB979 million, RMB1,254 million and RMB2,845 million, respectively.

Business Model

The Group provides professional and integrated door-to-door, door-to-station, station-to-station and other full-process multimodal transport services, and comprehensive services for node and station transfer, to upstream and downstream customers of the industry chain.

The Group adopts the method of “one-ticket charge” for its railway logistics service, according to which the Group collects a lump sum payment for a single shipment, which comprises of, among others, the fees for container transportation, loading and unloading, warehousing, short-distance automobile distribution and railway transportation.

Overview

Following the “Belt and Road” initiative, the Group has expanded its overseas operation of nickel smelting and stainless steel manufacturing by undertaking the Indonesia Stainless Steel Project, a landmark project for the Group to realise the goal of “Going Global”, which commenced production in 2021. The Group undertakes the Indonesia Stainless Steel Project through its subsidiary, Xiamen Xiangyu, as the supply chain operation service provider for stainless steel industry chain business. By building the nickel smelting and stainless steel manufacturing factory, Xiamen Xiangyu is deeply involved in the integrated manufacturing of stainless steel billets and extends its business to the upper stream and downstream of the stainless steel supply chain. The Indonesia Stainless Steel Project has improved the Group’s profitability and ultimately promoted the upgrade of the entire value chain. The Indonesia Stainless Steel Project has been selected as a key project of Belt and Road, and therefore enjoys a preferential income tax treatment of “10-year exemption plus two-year reduction” (10年全額+2年減半) from the Indonesian Ministry of Finance. The Group is the only Chinese enterprise in the first batch of enterprises that enjoys such tax preferential policy.

Through years of operation, Xiamen Xiangyu has established a smooth supply chain channelling upstream and downstream customers, and a comprehensive logistics service network with a professional service team. Leveraging on the strength of its supply chain services, Xiamen Xiangyu has expanded its business in Indonesia, Singapore and other countries along the “Belt and Road”, supplying raw and auxiliary materials such as ferrosilicon, silicon manganese and anthracite, selling finished products such as billet and ferronickel, and providing supporting logistics services to its customers in over 120 countries and regions. By combining the domestic market demands, technology and management advantages and rich resources and local service system in Indonesia, the Group has successfully established its industry chain of stainless steel and participates in the global supply system.

The main enterprise operating the Indonesia Stainless Steel Project is PT OBSIDIAN STAINLESS STEEL, a member of the Group located in Virtue Dragon Nickel Industrial Park (VDNIP), Sulawesi, Southeast Indonesia, a region with rich mineral reserve. The Indonesia Stainless Steel Project is a foreign economic and trade cooperation project integrating mineral resources development, production and smelting, deep processing and port logistics. It adopts advanced technology for nickel smelting, the reduction kiln-electric furnace (RK-EF) process, with an annual output of 2.5 million tonnes of 300 series stainless steel, supplied to international and domestic markets. For the year ended 31 December 2024, approximately 356 thousand tonnes of steel billets and 1.3 million tonnes of ferronickel were sold under the Indonesia Stainless Steel Project, with an operating revenue of approximately RMB15.8 billion. The cumulative contribution to tax received by the local governments amounts to more than U.S.\$800 million.

Procurement

The raw materials required for the production mainly include laterite nickel ore, coal and high-carbon ferrochromium. The laterite nickel ore and coal required mainly come from Indonesia while the high-carbon ferrochromium mainly comes from South Africa. The coal required for power generation is mainly thermal coal purchased locally in Indonesia, with a small amount of imported coal from Australia.

In the trend of rising commodity prices, leveraging the Group's professional supply chain service team, the Group strengthens the analysis and judgment of the commodity market and adopts flexible procurement policy, in order to reduce the cost of raw material procurement.

The following table illustrates the Group's raw materials in terms of procurement amount and price in the Indonesia Stainless Steel Project for the years ended 31 December 2022, 2023 and 2024, respectively.

	For the year ended 31 December					
	2022		2023		2024	
	Price	Quantity	Price	Quantity	Price	Quantity
	(U.S.\$/ tonne)	(tonnes in thousands)	(U.S.\$/ tonne)	(tonnes in thousands)	(U.S.\$/ tonne)	(tonnes in thousands)
Laterite nickel ore	66	15,306	58	20,347	46	20,281
High carbon ferrochromium	1,460	471	1059	117	1,282	214
Coal	90	3,751	66	6,931	50	8,130

Sales

The Group's major customers are leading domestic and international manufacturers.

The following table illustrates the sales of major products in the Indonesia Stainless Steel Project for the years ended 31 December 2022, 2023 and 2024, respectively.

	For the year ended 31 December					
	2022		2023		2024	
	Price	Quantity	Price	Quantity	Price	Quantity
	(RMB/ tonne)	(tonnes in thousands)	(RMB/ tonne)	(tonnes in thousands)	(RMB/ tonne)	(tonnes in thousands)
Stainless Steel	14,733	1,117	13,205	583	10,389	356
Ferronickel	14,723	632	12,490	1,296	9,272	1,303

Environmental Protection

From the very beginning of the construction of the Indonesia Stainless Steel Project, the Group has attached great importance to local ecological and environmental protection, strictly abided by local environmental protection laws and regulations, and made scientific plans for the construction of energy-saving and emission-reduction facilities and the selection of technological processes to improve resource utilisation. The Group strives to save energy, reduce consumption and pollution, and increase efficiency during the process of production. In compliance with the requirements of the Indonesian government, the Group has obtained relevant environmental protection approvals and conducted air quality and water quality inspections as required by the local government. Furthermore, the relevant emission indicators of the Indonesia Stainless Steel Project have met the emission standard set forth by the local government in Indonesia.

Other supply chain businesses

The Group's other supply chain businesses mainly include grain deep processing, ship building business, ore beneficiation and processing, chemical textile and other businesses.

Urban Development and Operation

Overview

The Group engages in urban development and operation business through Xiangyu Property Holdings Company Limited (“**Xiangyu Property**”) (象嶼地產集團有限公司) and Xiamen Xiangyu Construction and their subsidiaries. Real estate projects developed by the Group are mainly located in first-tier and second-tier cities and economically developed cities in China, such as Shanghai, Suzhou, Fujian, Chongqing, Tianjin and cities in the Yangtze River Delta (長三角). The Group also engages in land development and urban development businesses in Xiamen through Xiamen Xiangyu Harbour Development Construction Company Limited (廈門象嶼港灣開發建設有限公司), and operates certain self-owned properties and long-term rental apartments.

Over the years, the Group has undertaken numerous milestone urban development and operation projects:

- *Dongping Mountain Development and Improvement Project* (東坪山發展提升項目): Creating an ecological park and a new cultural and tourism spot in Xiamen.
- *Gaoqi Fishing Port Renovation and Improvement Project* (高崎漁港片區改造提升項目): Creating an integrated cultural and tourism area, comprising fishing, urban life and tourism.
- *Xiamen Sea World Project* (廈門海上世界項目): Creating the largest integrated business and commercial area in Xiamen, comprising cruise terminal, smart offices, immersive commercial areas and high-end luxury hotels and entertainment facilities.

- *Others:* The Group has also undertaken various development projects for commercial area and integrated service platforms, including Xiamen Free Trade Zone Central Business District (廈門自由貿易中央商務區), Xiamen Cross-border E-commerce Industrial Park (廈門跨境電商產業園), Xiamen High-end Equipment and Intelligent Manufacturing Service Platform (廈門廈門高端裝備及智能製造服務平臺), Xiangyu Cold Supply Chain Integrated Service Platform (象嶼冷鏈供應鏈綜合服務平臺), Automobile Import Services Platform (整車進口服務平臺) and Financial Leasing Services Platform (融資租賃服務平臺).

The Group plays a key role in the construction, urban renewal, district development and the establishment of industrial platforms in Xiamen and in the cities where its urban development and operation projects are located, and serves as a pillar in the regional economic and social development.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's urban development and operation business amounted to approximately RMB5,700 million, RMB8,344 million and RMB31,941 million, respectively, representing approximately 1.01 per cent., 1.70 per cent. and 7.67 per cent. of the Group's total operating revenue for the same years.

The Group holds various professional qualifications for its urban development and operation businesses. For example, Xiangyu Real Estate Group Co., Ltd. (象嶼地產集團有限公司), Shanghai Xiangyu Real Estate Co., Ltd. (上海象嶼置業有限公司), Chongqing Xiangyu Real Estate Co., Ltd. (重慶象嶼置業有限公司), Shanghai Yunjian Real Estate Development Co., Ltd. (上海雲間房地產開發有限公司), Fuzhou Xiangbang Real Estate Co., Ltd. (福州象邦置業有限公司), Fuzhou Xiangxing Real Estate Co., Ltd. (福州象興置業有限公司), Xiamen Xiangyu Commercial Development Co., Ltd. (廈門象嶼商業發展有限責任公司), Tianjin Tian'anfan Science and Technology Park Development Co., Ltd. (天津天安泛科技園開發有限公司) and Fuzhou Xiangrong Real Estate Co., Ltd. (福州象榮置業有限公司) have been accredited with Property Development Enterprise Qualification Certificate (Class 2). Hebei Xiangyu Zhengfeng Real Estate Co., Ltd. (河北象嶼正豐置業有限公司) has been accredited with Property Development Enterprise Qualification Certificate (Class 4). Fujian Dengyun Real Estate Development Co., Ltd. (福建登雲房地產開發有限公司) has been accredited with Property Development Enterprise Qualification Certificate (Tentative Class 2).

The Group's urban development and operation business can be further divided into comprehensive residential housing development, land development and urban development, property management, operation of self-owned properties and long-term rental apartments businesses.

Comprehensive Residential Housing Development

Overview

Adhering to the philosophy of "Professional Operation, Stable Operation and Intensive Cultivation" (專業化運作，穩健經營，精耕細作), the Group has won the trust and respect of its customers and established a sound reputation on the market. The Group has developed and completed several landmark projects such as Shanghai Fengxian Riverside Residences (上海奉賢

濱江悅府), Suzhou Kunshan Puxi Rose Garden (蘇州昆山浦西玫瑰園), Shanghai Chongming (上海崇明), Fuzhou Mawei (福州馬尾), Fuzhou Minhou (福州閩侯), Kunshan Ducheng Garden (昆山都城嘉園), Fuzhou Cangshan (福州倉山), Shanghai Lingang Xing Jingyuan (上海臨港星璟原). For the last three years ended 31 December 2024, the total GFA and total sales area of the Group's completed comprehensive residential housing development projects amounted to approximately 4.35 million sq.m and 2.95 million sq.m. respectively, with a total sales volume of approximately RMB101 billion.

Business Model

The Group sources contractors for the engineering survey, design, construction and supervision of its urban development and operation projects through public methods such as public bidding. It mainly focuses on the development and construction of residential housing. The development funds of the Group's comprehensive residential housing development projects mainly come from its own funds, pre-sale house payments and external financing. In line with market practice, applicable laws and regulations, the Group pre-sells its real estate units prior to their completion after obtaining pre-sale licences, as well as sells the developed real estate units after the project is completed and accepted, by itself or through agents. After completion of each project, the Group will initially shortlist property management companies for developed real estates through bidding. With the establishment of the community owners' committee, the community owners' committee will select the property management company according to market conditions.

The Group prices its real estate projects in accordance with market price, and also takes into consideration other factors. It fully takes advantages of the products developed by the Group, reflecting product differentiation and the added value of products brought by the Group's brand awareness and reputation.

Land Development and Urban Development

Overview

The Group engages in land development and urban development businesses primarily through Xiamen Xiangyu Harbour Development and Construction Co., Ltd. (廈門象嶼港灣開發建設有限公司). As an entity invited to engage in municipal infrastructure construction projects and an agent construction entity for key infrastructure construction projects in Xiamen, the Group plays a key role in the public utility development of Xiamen. With its leading technology and expertise in the areas of land reclamation, municipal roads construction and hydraulic engineering, the Group has been entrusted to undertake a number of land development and urban development projects in the construction of the free trade zones in Xiamen, such as the first phase of Xiamen Xiangyu Free Trade Zone (in a total site area of 0.6 sq.km.), No. 15 and No. 16 container terminals in Xiamen Xiangyu Free Trade Zone, as well as a number of supporting projects.

Business Model

The Group engages in land development and urban development projects under agency construction model. As commissioned by relevant government authorities, the Group is generally

responsible for the management of the whole development process of a project, including feasibility research, design, bidding, development, examination and acceptance, and is entitled to receive a pre-determined amount of agency construction fee in accordance with relevant regulations of local financial investment and financing projects, which usually ranges from 0.4 per cent. to 3.0 per cent. of the actual total investment amount. The agency construction fee is paid in accordance with the project process by relevant government authorities.

Property Management

Property management supplements the core business of Xiangyu Property and forms an important part of the brand of Xiangyu Property, and the Group charges management fees for properties under its management. As at 31 December 2024, area of property under the Group's management amounted to approximately 472 million sq.m.

Operation of Self-owned Properties

Xiangyu Property holds and operates certain properties in Xiamen and Shanghai, namely, Xiamen Free Trade Finance Centre (廈門自貿金融中心), Shanghai Xiangyu Building (上海象嶼大廈) and Kunshan Liang'an Trade Centre (昆山兩岸貿易中心). Xiangyu Property operates and leases its self-owned properties and charges rents from its tenants.

Long-term Rental Apartments Business

Xiangyu Property started and is actively expanding its long-term rental apartments business in Shanghai, Xiamen and Tianjin. It develops and operates long-term rental apartments through land acquisition, purchase, cooperative development and consolidation of market resources. Xiangyu Property then leases developed apartment units to tenants and charges rents from them.

Integrated Financial Services

Overview

The overall positioning of the Group is to achieve the transformation from a traditional single quasi-financial business to comprehensive financial services and investment banking business based on the supply-side structural reform and high-quality development of the industry foundation, focusing on the real economy, consumer services, national strategic industries and the upstream and downstream customers of the Group. The Group's integrated financial services are provided primarily by Xiamen Xiangyu Finance Holding Company Limited (廈門象嶼金融控股集團有限公司) (formerly known as Xiamen Xiangyu Golden Elephant Holding Company Limited (廈門象嶼金象控股集團有限公司)) ("**Xiangyu Finance**") and Xiamen Xiangyu Investment Co., Ltd. (廈門象嶼投資有限公司) and their subsidiaries.

Xiangyu Finance was set up in August 2015. Leveraging on its advanced finance technology, Xiangyu Finance is aiming to build a low-cost financing platform, thereby providing a variety of financial value-added services for upstream and downstream customers and becoming a financial service provider with industrial background and Xiangyu characteristics. Xiangyu Finance is gradually obtaining financial licence for all kinds of services by acquisitions, cooperation with

other companies and expansion of its business, in order to facilitate financial innovation, connect domestic and overseas financial markets, and become a distinctive integrated financial services provider. The core financial services of the Group include industrial finance, consumer finance and asset management. Customers of the Group's industrial finance business mainly include industrial customers across the country. Consumer finance and asset management businesses of the Group are mainly carried out in Fujian Province.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's integrated financial services business amounted to approximately RMB1,860 million, RMB2,179 million and RMB2,172 million, respectively, representing approximately 0.33 per cent., 0.44 per cent. and 0.52 per cent., respectively, of the Group's total operating revenue for the same years.

The table below sets forth the breakdown of the Group's operating revenue generated from its industrial finance, consumer finance and asset management sub-segments for the indicated years:

	For the year ended 31 December					
	2022		2023		2024	
	(RMB in millions)	(% of total)	(RMB in millions)	(% of total)	(RMB in millions)	(% of total)
Industrial finance	1,102	55.32	1,259	54.81	1,120	51.05
Consumer finance	550	27.61	595	25.90	544	24.79
Asset management	284	14.26	422	18.37	518	23.61
Others	56	2.81	21	0.91	12	0.50
Total	1,992	100.00	2,297	100.00	2,194	100.00

Industrial Finance

The Group's industrial finance business includes commercial factoring, financial leasing, entrusted loans and other businesses. Leveraging on its rich and strong industrial background, the Group improves its competitive advantage and profitability in the industry chain by deeply integrating industry and finance and satisfying the diversified financing needs of its customers, thereby standing out in the market with a unique core competitiveness.

Commercial Factoring

The Group's commercial factoring business is mainly carried out by Shenzhen Xiangyu Commercial Factoring Co., Ltd., (深圳象嶼商業保理有限責任公司), Xiamen Xiangyu Commercial Factoring Co., Ltd. (廈門象嶼商業保理有限責任公司) and Xiamen Xiangsheng Commercial Factoring Co., Ltd. (廈門象盛商業保理有限責任公司), with their respective funds and bank loans. The Group gradually obtained the relevant governmental approval to engage in factoring business in 2014 to 2022. As at 31 December 2024, the accounts receivables from the Group's top five customers amounted to approximately RMB1,410 million, RMB900 million, RMB700 million, RMB679 million and RMB450 million, respectively.

For the years ended 31 December 2022, 2023 and 2022, the operating revenue generated from the Group's commercial factoring business amounted to approximately RMB257 million, RMB439 million and RMB465 million, respectively.

Financial Leasing

The Group's financial leasing business is mainly carried out by Xiamen Xiangyu Golden Elephant Financial Leasing Co., Ltd. (廈門象嶼金象融資租賃有限公司) with its own funds and bank loans. It obtained the approval to engage in financial leasing business in 2016. Since 2018, the Group began to significantly expand leasing business in the shipping sector, operating a total of 28 ship leasing projects and providing loans of approximately RMB1,180 million. The Group has also provided equipment financial leasing loans of approximately RMB800 million.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's financial leasing business amounted to approximately RMB61 million, RMB71 million and RMB83 million, respectively.

Entrusted Loans

The Group's entrusted loans business is mainly carried out by Xiamen Xiangyu Asset Management and Operation Co., Ltd. (廈門象嶼資產管理運營有限公司) ("**Xiangyu Asset**") with its own funds. Key customers include upstream and downstream small and medium sized enterprises and real estate enterprises in the industrial finance sector. For the years ended 31 December 2022, 2023 and 2024, the amount of entrusted loans of the Group in the industrial finance sector was approximately RMB7,048 million, RMB4,675 million and RMB5,278 million, respectively. As at 31 December 2024, the entrusted loans amount from the Group's top five customers amounted to approximately RMB780 million, RMB713 million, RMB500 million, RMB400 million and RMB394 million, respectively.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's entrusted loans business amounted to approximately RMB668 million, RMB691 million and RMB511 million, respectively.

Consumer Finance

The Group seized the opportunity to take advantage of the market consumer finance development policy. Leveraging on its brand reputation, sufficient capital and advanced risk control measures, the Group strategically integrates and deploys its external resources and establishes an operational model of "Scenario + Flow" (場景+流量). The Group's consumer finance business can be further divided into small loan business and auto finance business.

Small Loan Business

The Group's small loan business is mainly carried out by Xiamen Xiangyu Small Loan Co., Ltd. (廈門象嶼小額貸款有限責任公司) with its own funds and bank loans. Since the Group obtained the approval to engage in small loan business in 2014, the Group has been actively deploying

consumption scenarios and expanding the consumer finance business chain. The Group's small loan business has a short term, mainly ranging from one to six months.

For the years ended 2022, 2023 and 2024, the operating revenue generated from the Group's small loan business amounted to approximately RMB19 million, RMB14 million and RMB13 million, respectively.

Auto Finance

The Group's auto finance business is mainly carried out by Xiamen Xiangyu Golden Elephant Financial Leasing Co., Ltd. (廈門象嶼金象融資租賃有限公司) ("**Xiangyu Golden Elephant**") with its own funds and bank loans. Taking advantage of its state-owned enterprise brand, abundant capital, standardised management and the market-oriented operation mode, Xiangyu Golden Elephant strategically enters into the area of auto finance and financial leasing and provides loans to car purchasers by seizing the development policy opportunities. While the Group focuses on its local direct sales business, it also lays out a blueprint in developed coastal cities and key economic centres to build an integrated network comprising direct sales (直營), light direct sales (輕直營) and channel agency (渠道代理).

For the years ended 2022, 2023 and 2024, the operating revenue generated from the Group's auto finance business amounted to approximately RMB451 million, RMB506 million and RMB484 million, respectively.

Asset management

The Group's asset management business is mainly carried out by Xiangyu Asset with its own funds and bank loans. Xiangyu Asset has been engaging in the financial distressed debt business since 2003, and has realised the transformation of its business structure from corporate custody business to distressed debt-based business. Xiangyu Asset purchases non-performing creditor's rights from the major asset management companies in the PRC. It looks for non-performing asset disposal packages in the market through bank channels, and then obtains follow-up asset disposal rights through the channels of the four major asset management companies in the PRC. The main disposal methods include judicial process auctions and re-transfers. The non-performing debts purchased by Xiangyu Asset are all non-performing assets of banks. With years of accumulated industry experience, it has developed a professional asset package team, and has established a good industry brand and reputation in the distressed asset management industry in Fujian.

The Group's asset management business also extends to management and operation of asset portfolio to improve the performance of the assets thereby increasing their value.

For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's asset management business amounted to approximately RMB284 million, RMB422 million and RMB518 million, respectively.

Other Businesses

The Group also engages in other businesses, such as port and shipping, innovation incubation and equity investment. For the years ended 31 December 2022, 2023 and 2024, the operating revenue generated from the Group's other businesses amounted to RMB1,547 million, RMB2,191 million and RMB2,185 million, respectively, representing 0.28 per cent., 0.45 per cent. and 0.53 per cent., respectively, of the Group's total operating revenue for the same years.

Port and Shipping

The Group primarily engages in the business of port and shipping through Xiamen International Cruise Home Port Group Co., Ltd. (廈門國際遊輪母港集團有限公司) and Xiamen City Internet of Things Industrial Research Institute Co., Ltd. (廈門市物聯網產業研究院有限公司) after acquiring equity interests in a number of companies in March 2022.

Starting from March 2022, the Group expanded its business into port and shipping after receiving the equity interests of certain companies from relevant state-owned enterprises and government entities. According to the optimisation and structural adjustment implemented by the municipal government of Xiamen on 1 March 2022, Xiamen State-owned Asset Operation Co., Ltd. has transferred 40 per cent. of its equity interest in Xiamen WestBay Co., Ltd. (廈門西海灣有限公司) and its equity interest in Xiamen International Cruise Home Port Group Co., Ltd. (廈門國際遊輪母港集團有限公司), Xiamen Ferry Co., Ltd. (廈門輪渡有限公司) and Xiamen Peace Terminal Co., Ltd. (廈門和平碼頭有限公司) to the Guarantor. In addition, Xiamen Free Trade Zone Management Committee (廈門自貿區管委會) has transferred its equity interest in Xiamen Free Trade Investment Development Co., Ltd. (廈門自貿投資發展有限公司) to the Guarantor, and the People's Government of Xiamen has transferred the equity interest that it received in Fujian Port Group Co., Ltd. (福建省港口集團有限責任公司) to the Guarantor.

Following such transfer of equity interests to the Guarantor, the Group has expanded its businesses into port and shipping. The Group actively participates in the strategic development of ports in Xiamen and is dedicated to creating a vibrant international cruise home port along the southeast coastal area of China. From conducting its port and shipping business, the Group also promotes the organic integration of shipping, port, manufacturing, trading, finance and logistics of Xiamen, improves the port service level, realises the economic and social benefits of its ports, expands the port industry chain, and enhances the driving effect of port and shipping services and maritime tourism on the regional economy.

The Group's port and shipping business primarily includes: (i) cruise supply chain business, in which the Group provides integrated services including commercial ferries, cruise reception, cruise supplies and construction of cruise ports; (ii) marine cultural and tourism business, in which the Group consolidates voyages and shipping lines to establish an integrated marine and coastal tourism industry; and (iii) cultural and tourism complexes, smart cultural and tourism and cultural and tourism media products.

Innovation Incubation

The Group primarily engages in the business of innovation incubation through Xiamen XMXYG Technology Co., Ltd. (廈門象嶼科技有限公司) (“**XMXYG Technology**”), Xiamen Research Institute of Internet of Things Industry (廈門市物聯網產業研究院) (“**Xiamen Research Institute**”) and Xiamen XMXYG Venture Capital Management Co., Ltd. (廈門象嶼創業投資管理有限公司) (“**XMXYG Venture Capital**”). XMXYG Technology provides information technology planning, development and operation solutions within the Group. Xiamen Research Institute is a service provider for Internet-of-Things technology solutions in respect of the Taiwan Strait and “Belt and Road” Initiative. As an equity investment platform of the Group, XMXYG Ventures Capital takes responsibility for external financial investment functions. Over the years, the Group has invested in and fostered emerging industries and industry plus internet, and built platforms for business model innovation and mechanism innovation. The Group has represented Xiamen to invest in and manages the first and second phase of the China Cultural Industrial Investment Fund-of-Fund (中國文化產業投資母基金) jointly established by the Publicity Department of the PRC and MOF. The Group also integrates industrial production and the Internet (Industry plus Internet) to provide technical support for the “Belt and Road” national strategy. Commissioned by local government entities, the Group also manages the Xiamen Free Trade Zone Industry Guidance Fund (廈門自貿區產業引導基金) to boost regional economic transformation.

Equity Investment

The Group primarily engages in the business of equity investment through Xiamen Xiangyu Start-up Investment Management Co., Ltd. (廈門象嶼創業投資管理有限公司), through which the Group maximises integrated investment return by diversifying its equity investment portfolios. The equity investment made by the Group primarily comprises investments in financial institutions, such as Guodu Securities Co., Ltd. and China Industrial Securities Co., Ltd., and companies in industries related to the Group’s business segments as well as the Group’s upstream and downstream customers, such as Xiamen International Logistics Port Co., Ltd. (廈門國際物流港有限責任公司) and Fujian Nanping Sun Cable Co., Ltd. (福建南平太陽電纜股份有限公司).

COMPETITION

The Group operates in highly fragmented and competitive markets, with intense competition for capital, labour, facilities and supporting infrastructure, services, pricing and raw materials, as well as opportunities for acquisitions and new business. Certain of the Group’s competitors in their respective businesses may have longer operating track records, stronger government and customer relationships and stronger parent support, and have access to greater financial, technical, infrastructure, marketing and other capabilities or other resources and/or name recognition than the Group. To maintain and enhance its competitiveness, the Group aims to further strengthen and develop long-term, stable and co-operative business relationships, capitalise upon its extensive local knowledge and strategic investment opportunities, focus on improving its operational efficiencies, enhance its marketing techniques, further lower its business costs and, ultimately, become a competitive diversified enterprise with a leading presence in its core business.

ENVIRONMENT

The operations of the Group are subject to various national and local PRC environmental laws and regulations, including those relating to air pollution, noise, hazardous materials and waste discharge. As at the date of this Offering Circular, the Group believes that it is in compliance in all material respects with all applicable national or local environmental laws and regulations in the PRC, and has obtained or is in the process of obtaining all permits, approvals and certifications required under the PRC law in relation to its facilities.

INSURANCE

The Group has in place all insurance policies necessary and customary to cover its business and properties as currently operated and for compliance with all requirements of applicable law. The Group also maintains different types of insurance to cover its operations, including automobile, property and logistics-related insurance. The projects performed by the Group, including those under construction, are insured against a range of risks, including fire, earthquake, flood and a wide range of other natural disasters and human accident. The Group is also insured by the consequential loss insurance against any direct losses suffered.

EMPLOYEES

As at 31 December 2024, the Group had approximately 14,480 full-time employees in China, approximately 7,617 of which hold bachelor's degree or above. In accordance with the applicable regulations of local governments in regions where the Group has business operations, the Group makes contributions to the statutory pension plan, medical insurance, unemployment insurance, maternity insurance and workers' compensation insurance. The amount of contributions is based on the specified percentages of employees' aggregate salaries as required by relevant PRC authorities.

The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group provides annual bonuses to employees. The Group enters into an employment contract with each of its employees in accordance with applicable PRC laws. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

GOVERNMENTAL REGULATIONS AND LICENCES

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

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

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

LEGAL PROCEEDINGS

As at date of this Offering Circular, there are no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Group is aware) that may have any material adverse effect on the Group's financial position or profitability.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

The Board of Directors of the Guarantor (the “**Board**”) currently consists of eleven directors.

The table below shows certain information in respect of the directors:

Name	Age	Position
ZHANG Shuili (張水利) . . .	59	Secretary of the Party Committee (黨委書記) and Chairman of the Board
XIE Binqiao (謝濱僑)	54	Director and Vice Chairman of the Board
FANG Hongzhe (方弘哲) . .	53	Director and Vice Chairman of the Board
DENG Qidong (鄧啟東) . . .	54	Deputy Secretary of the Party Committee (黨委副書記), President and Director
HUANG Quexuan (黃雀喧)	54	Director
HE Fulong (何福龍)	69	Part-time External Director
WANG Qin (王沁)	61	Part-time External Director
HONG Wenjin (洪文瑾) . . .	61	Part-time External Director
QU Wenzhou (屈文州)	52	Part-time External Director
HUANG Kunming (黃昆明)	58	Part-time External Director
LIN Ruisong (林瑞松)	54	External Director

Mr. ZHANG Shuili (張水利先生), aged 59, has been the secretary of the Party Committee of the Guarantor since 2017 and the chairman of the Board since 2016. Mr. Zhang previously served as the accountant of Tong’an Dadeng Agricultural Bank Business Office (同安大嶝農行營業所) and Tong’an Xinxu Agricultural Bank Business Office (同安新圩農行營業所); the deputy manager and subsequently the manager of the finance department of Xiamen Yincheng Enterprise Corporation (廈門銀城企業總公司); the financial manager of Xiamen Xiangyu Free Trade Zone Trading Co., Ltd. (廈門象嶼保稅區貿易有限公司); the deputy general manager of Xiamen Xiangyu Baofa Co., Ltd. (廈門象嶼寶發有限公司); the general manager of Xiamen Xiangyu International Trade Co., Ltd (廈門象嶼國際貿易有限公司); and the general manager and subsequently the vice president and the president of the Guarantor.

Mr. XIE Binqiao (謝濱僑先生), aged 54, has been a vice chairman and a director of the Guarantor since 2020. He also serves as a chairman of the board of directors of Xiamen Financial Leasing Co., Ltd. (廈門金融租賃有限公司). Mr. Xie previously served as a deputy manager of the corporate department at Industrial and Commercial Bank of China Xiamen, Jiangtou Branch (中國工商銀行廈門江頭支行); an assistant to the head of China Merchants Bank, Xiamen Branch (招商銀行廈門分行); the head of China Merchants Bank, Zhangzhou Branch (招商銀行漳州分行), the president of the wholesale finance department and a deputy head of China Merchants Bank, Xiamen Branch; the first general manager of the transaction banking department of China Merchants Bank; and a deputy secretary and subsequently the secretary of the Party Committee, and the chairman of the board of directors and the head of Xiamen Rural Commercial Bank Co., Ltd. (廈門農商銀行). Mr. Xie has obtained a bachelor's degree.

Mr. FANG Hongzhe (方弘哲先生), aged 53, has been a vice chairman and a director of the Guarantor since 2023. Mr. Fang was previously a cadre of the organisation department of Xiamen Kaiyuan District Committee (廈門市開原區委) and an assistant to the principal of the Party School of the Xiamen Kaiyuan District Committee (開原區委員會黨校); a cadre, a section member, the chief section member, an assistant researcher (first cadre division), the deputy director and the director (second cadre division) of the cadre training division of the organisation department of the Xiamen Municipal Party Committee (廈門市委組織部幹訓處); the deputy secretary of the Party Committee, the secretary of the disciplinary committee, the chairman of the labour union and the vice chairman of the board of supervisors of Xiamen Airport Group Co., Ltd (廈門航空港集團有限公司); as well as the deputy secretary of the Party Committee, the secretary of the disciplinary committee, the chairman of the labour union, the vice chairman of the board of supervisors and a director of Xiamen Xiangye Group Co., Ltd. (廈門翔業集團有限公司) ("**Xiamen Xiangye Group Co., Ltd.**"). Mr. Fang had also served as the chairman of the board of supervisors of the Guarantor before its dissolution. For details, see "*Supervisors*". Mr. Fang has obtained a bachelor's degree.

Mr. DENG Qidong (鄧啟東先生), aged 54, has been the deputy secretary of the Party Committee, the president and a director of the Guarantor since 2022. Mr. Deng previously served as an employee in the general management department of Xiamen Lianfa (Group) Import and Export Trading Co., Ltd. (廈門聯發(集團)進出口貿易有限公司); a staff member and a manager of the general management department, a manager of the business operation department and the comprehensive trade department and a deputy general manager of Xiamen Xiangyu International Trade Development Co., Ltd. (廈門象嶼國際貿易發展有限公司); the deputy general manager of Xiamen Xingda Import and Export Trade Co., Ltd. (廈門興大進出口貿易有限公司); the deputy general manager, the executive deputy general manager, the general manager of the trade centre and a Party Committee member of Xiamen Xiangyu Group Co., Ltd. Trade Centre (廈門象嶼集團有限公司貿易中心); and the general manager and the chairman of the board of directors of Xiamen Xiangyu. Mr. Deng has obtained a master's degree.

Mr. HUANG Quexuan (黃雀喧先生), aged 54, has been a director of the Guarantor since 2023. Mr. Huang was the deputy secretary of the Party Committee, a member of the Party Committee, the secretary of the discipline inspection commission, and the chairman of the labour union of Xiamen Rail Transit Group Co., Ltd. (廈門軌道交通集團有限公司), and was the deputy secretary of the Party Committee and the chairman of the labour union of Xiamen Jinyuan

Investment Group Co., Ltd. (廈門金圓投資集團有限公司) (“**Xiamen Jinyuan**”). Mr. Huang previously served as a staff member of the Youth & Children’s Palace of Xiamen City, Fujian Province (福建省廈門市少年宮), where he was seconded to work in the Municipal Committee Office of the Communist Youth League (在團市委辦公室). He also served of a staff member and the deputy director of the Xiamen Municipal Committee Office of the Communist Youth League of Fujian Province (共青團福建省廈門市委辦公室), and the full-time deputy secretary of the Communist Youth League of Xiamen Municipal Party Committee (共青團福建省廈門市委機關黨委), where he was concurrently acting as an assistant to the director of the second discipline inspection and supervision office of the Xiamen Discipline Committee (廈門市紀委第二紀檢監察室) during 2000 to 2002. Moreover, he has held positions of an officer of the first discipline inspection and supervision office of the Xiamen Discipline Committee (廈門市紀委第一紀檢室), the deputy director of discipline inspection and supervision of the Public Complaints and Proposal Administration of the Xiamen Discipline Committee (廈門市紀委信訪室) and the deputy director and subsequently the director of the Party Conduct and Integrity Construction Office of the discipline inspection and supervision office of the Xiamen Discipline Committee (廈門市紀委黨風廉政建設室). Mr. Huang has obtained a bachelor’s degree.

Mr. HE Fulong (何福龍先生), aged 69, has been a part-time external director of Guarantor since 2022. Mr. He has served as a worker at the Xiamen Medical Equipment Factory (廈門醫療設備廠); a teacher at the Fujian Engineering & Economics School (福建工貿學校) (formerly known as Fujian Provincial Food School (福建省糧食學校)); a cadre of the Personnel and Labor Department of the Xiamen Special Economic Zone Administrative Committee (廈門特區管委會人事勞工處); and a cadre, the deputy section chief, the deputy finance chief and the finance chief of Xiamen Special Economic Zone Labor Service Company (廈門特區勞務公司). He also held positions of the deputy section chief of Xiamen Huayang Enterprise Co., Ltd. (廈門華陽企業有限公司); the deputy general manager of Xiamen Ronghua Trading Development Co., Ltd. (廈門榮華貿易發展有限公司); the manager of the audit and finance department of the Hong Kong Ta Kung Newspaper Office (香港大公報社辦公室); the deputy general manager of the finance department of Xiamen Commerce and State Investment Corporation (廈門市商貿國投公司); as well as the secretary of the Party Committee and the chairman of the board of directors of Xiamen ITG Group Co., Ltd (廈門國貿集團股份有限公司). Mr. He has obtained a postgraduate degree.

Mr. WANG Qin (王沁先生), aged 61, has been a part-time external director of Guarantor since 2024. Mr. Wang previously served as the chairman of Xiamen Renai Foundation (廈門仁愛基金), and the deputy secretary of the Party Committee, the general manager and a director of Xiamen C&D Co., Ltd. (廈門建發集團有限公司) (“**Xiamen C&D Co., Ltd.**”). He also held positions of a staff member, the deputy section chief, the section chief and the deputy director of the Fuzhou Municipal Planning Commission (福州市計畫委員會); the deputy director and the deputy secretary-general of the Office of Fuzhou Municipal People’s Government in Beijing (福州市人民政府駐京辦); the deputy director, director and secretary of the Office of Xiamen Municipal People’s Government in Beijing (廈門人民政府駐京辦); as well as the secretary of the Party Leadership Group of Xiamen Federation of Industry and Commerce (廈門市工商聯黨組).

Ms. HONG Wenjin (洪文瑾女士), aged 61, has been a part-time external director of Guarantor since 2024. Ms. Hong previously served as an employee of the finance department, an assistant to the general manager and a director of Xiamen C&D Co., Ltd., the deputy general manager of Xiamen C&D Trust Investment Co., Ltd. (廈門建發信託投資有限公司), as well as the general manager of the trading department of C&D Securities Co., Ltd. (廈門建發證券有限公司). She also held positions of the Secretary of the Party Committee, the Secretary of the Party Branch, the chairperson, the general manager and a director of Xiamen International Trust Investment Co., Ltd. (廈門國際信託投資有限公司), as well as a member of the Party Committee, the deputy Secretary of the Party Committee, the vice general manager, the general manager and a director of Xiamen Jinyuan. Ms. Hong has obtained a master's degree.

Mr. QU Wenzhou (屈文州先生), aged 52, has been a part-time external director of Guarantor since 2024. Mr. Qu is currently serving as the director of the MBA Education Centre of the University of Xiamen (廈門大學MBA教育中心), the director of Jinyuan Research Institute (金圓研究院院長) and the director of China Capital Market Research Centre (中國資本市場研究中心). He previously served as an associate professor at the School of Management, and the deputy dean of the Financial Management and Accounting Research Institute, of the University of Xiamen. Mr. Qu has obtained a doctorate degree.

Mr. HUANG Kunming (黃昆明), aged 58, has been a part-time external director of Guarantor since 2025. Mr. Huang has previously served as a cadre and section member of the Infrastructure Audit Division of the Planning Bureau of Xiamen (廈門市審計局基建審計處); a section member and subsequently the chief section member of the Fixed Asset Investment Audit Division of the Audit Bureau of Xiamen (廈門市審計局固定資產投資審計處); an assistant inspector of municipal state-owned key enterprises of Xiamen; a deputy director and subsequently the director of the Planning and Finance Department of Land Resources and Housing Administration Bureau of Xiamen (廈門市國土資源與房產管理局計畫財務處); the director of the Infrastructure and Debt Division of the Xiamen Municipal Finance Bureau (廈門市財政局基本建設與債務處); the director of the Government Procurement Management Office of Xiamen (廈門市政府採購管理辦公室); a member of the Standing Committee of the Party Committee, a member of the Party Committee, a deputy general manager and the director of Xiamen Jinyuan Xiamen; and a deputy secretary and subsequently the secretary of the Party Committee, a director, the chairman of the board of directors and the general manager of Xiamen Information Group Co., Ltd. (廈門資訊集團有限公司). Mr. Huang has graduated from the Correspondence College of the Central Party School (中央黨校函授學院).

Mr. LIN Ruisong (林瑞松先生), aged 54, has been a full-time external director of Guarantor since 2024. Mr. Lin is also currently serving as an external director of Seashine Group Co., Ltd. (廈門夏商集團有限公司). He previously served as a sales engineer, a sales manager and a new product development dispatcher of Xiamen Hualian Electronics Co., Ltd. (廈門華聯電子有限公司); a senior executive of Fuyao Glass Industry Group Co., Ltd. (福耀玻璃工業集團股份有限公司); the deputy general manager and the general manager of Xiamen Radio and Television Digital Media Co., Ltd. (廈門廣電數位媒體有限公司); as well as the executive deputy general manager, a member and the deputy secretary of the Party Committee and the general manager of Xiamen Media Group (廈門文廣傳媒集團). Mr. Lin has obtained a postgraduate degree.

SUPERVISORS

Pursuant to the “Notice of the State-owned Assets Supervision and Administration Commission of the Xiamen Municipal People’s Government on Matters Concerning Deepening the Reform of the Supervisory Boards of State-owned Enterprises” (Xia Guo Zi Ji [2023] No. 76) (《廈門市人民政府國有資產監督管理委員會關於深化國有企業監事會改革有關事項的通知》(廈國資稽[2023]76號)), companies which are state-owned (whether solely, wholly or by a controlling stake) would no longer have boards of supervisors and supervisors, and the established boards of supervisors and relevant offices would be dissolved accordingly.

As a result, there exists no board of supervisors or any supervisors in the Guarantor as at the date of this Offering Circular.

SENIOR MANAGEMENT

The non-director senior management team of the Guarantor currently consists of seven members. The table below shows certain information in respect of the non-director senior management team of the Guarantor:

Name	Age	Position
LIU Lixian (劉麗仙)	56	Secretary of the Party Disciplinary Committee
WU Jie (吳捷)	43	Vice President
LIN Junjie (林俊傑)	51	Vice President
ZENG Yangfeng (曾仰峰) . .	52	Deputy Secretary of the Party Disciplinary and Inspection Committee and Vice President
LIN Zhiyong (林志勇)	53	Vice President
WANG Jianli (王劍莉)	52	Vice President
CAI Sheng (蔡聖)	43	Assistant to the President

Ms. LIU Lixian (劉麗仙), aged 56, has been the secretary of the Party Disciplinary Committee of the Guarantor since 2022. Ms. Liu previously served as a typist and confidential secretary of the Fujian Provincial Supervision Office (福建省監察廳辦公室), a case review officer of the Fujian Provincial Commission for Discipline Inspection Section (福建省紀委案件綜合管理室), a member and subsequently a chief section member of the Secretariat Section of the General Office (Room) of the Commission for Discipline Inspection of Xiamen City, Fujian Province (福建省廈門市紀委辦公廳(室)), the director of the Secretariat Section (section-level) and an officer of the Discipline Inspection and Supervision Officer (deputy director-level) of the General Office of the Commission for Discipline Inspection of Xiamen City, Fujian Province (福建省廈門市紀委辦公廳), a deputy director of the General Office of the Municipal Commission for Discipline Inspection (Municipal Supervision Bureau) (福建省廈門市紀委案件綜合管理室), a deputy director of the Case Supervision and Management Office, Commission for Discipline

Inspection of Xiamen City, Fujian Province (福建省廈門市紀委案件監督管理室), Xiamen City, Fujian Province, as well as a deputy director and subsequently the director of the Case Review Office of the Commission for Discipline Inspection of Xiamen City, Fujian Province (福建省廈門市紀委案件審理室). She has also served as a member of the Party Committee, the secretary of the Commission for Discipline Inspection, a supervising officer and a vice chairperson of the board of supervisors of Xiamen Xiangye Group Co., Ltd. Ms. Liu has obtained a postgraduate degree.

Mr. WU Jie (吳捷先生), aged 43, has been a vice president of the Guarantor since 2024. Mr. Wu is also currently serving as the secretary of the Party Committee and the board of directors of Xiamen Xiangyu. Mr. Wu previously served as an officer and subsequently the manager of the marketing department of Xiamen Xiangyu Group International Freight, as well as an information officer in the trading department and the manager, a deputy director, the director and subsequently the assistant to the president of the investment department of the Guarantor. He was also the secretary of the Party Committee (Heilongjiang Region) of the Guarantor, and the chairman of the board of directors of Heilongjiang Golden Elephant. Mr. Wu has obtained a postgraduate degree.

Mr. LIN Junjie (林俊傑先生), aged 51, has been a vice president of the Guarantor since 2016. Mr. Lin previously served as a business director and subsequently the deputy general manager of the investment department of Xiamen International Trade Holding Company Limited (廈門國貿控股有限公司), a deputy general manager and subsequently the general manager of Xiamen Non-metal Minerals Import and Export Company Limited (廈門非金屬礦進出口有限公司), the general manager of Xiamen International Trade Property Management Company Limited (廈門國貿物業管理有限公司), and the general manager of the investment department of Xiamen International Trade Holding Company Limited. Mr. Lin has obtained a master's degree.

Mr. ZENG Yangfeng (曾仰峰先生), aged 52, has been a vice president of the Guarantor since 2018. Mr. Zeng is also the deputy director of the risk management committee of the Guarantor. Mr. Zeng previously served as a clerk of Xiamen Hualiang Import and Export Company (廈門華糧進出口公司), as well as a member of the comprehensive trade department and the legal affairs department, a clerk of the general office, a deputy general manager of the risk management committee, a manager of the legal affairs department, a chief risk management officer and an assistant to the president of the Guarantor. Mr. Zeng has obtained a master's degree.

Mr. Lin Zhiyong (林志勇先生), aged 53, has been a vice president of the Guarantor since 2018. Mr. Lin is also the secretary of the Party Committee of Heilongjiang Golden Elephant. Mr. Lin previously served as a clerk, a chief clerk and subsequently a deputy director of the general office of Xiamen Metal Materials Corporation (廈門金屬材料總公司), as well as a clerk of the development department, a clerk, a chief clerk and subsequently the deputy director of the general office, the manager of the information technology department, the deputy administrative director, the chief information technology officer, the chief human resources officer, and an assistant to the president of the Guarantor. Mr. Lin has obtained a bachelor's degree.

Ms. WANG Jianli (王劍莉), aged 52, has been a vice president of the Guarantor since 2024. Ms. Wang previously served as the chief in the accounting department of Xiamen Xingxia Co., Ltd. (廈門興廈有限公司), as well as a staff member and the manager of the accounting department, the chief and the manager of the audit department, the manager of the general office, a vice deputy director and subsequently the director in the finance department, and an assistant to the president of the Guarantor. Ms. Wang has obtained a bachelor's degree.

Mr. CAI Sheng (蔡聖), aged 43, has been an assistant to the president of the Guarantor since 2025. Mr. Cai is also currently serving as the director of the finance centre of the Guarantor. He previously served as an accountant of the finance department of the Guarantor; a manager of the finance department of Shanghai Minxingda International Trade Co., Ltd. (上海閩興大國際貿易有限公司); a deputy general manager of Qingdao Xiangyu Import and Export Co., Ltd. (青島象嶼進出口有限責任公司); the finance director and a manager of the accounting management department of Xiamen Xiangyu Suchuan Supply Chain Development Co., Ltd. (廈門象嶼速傳供應鏈發展股份有限公司); and a deputy finance director and a deputy director (coordination) of Xiamen Xiangyu. Mr. Cai has obtained a master's degree.

PRC LAWS AND REGULATIONS

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

GENERAL

Upholding the idea of serving the social development and enterprises growth, the Group is focusing on the modern service industry and practising industrial finance and specialised operations. The investments of the group involve modern services areas, including but not limited to supply chain management, circulation service, public service platform, industrial real estate development, real estate, quasi-financial services and equity investment, the operation of which is governed by a regulatory regime in the PRC. The Company believes that the Group is in compliance in all material respects with government regulations currently in effect in the jurisdictions in which it operates. The Company is not aware of significant problems experienced by any member of the Group with respect to compliance with government regulations in relation to its operations which could materially adversely affect its properties or operations, nor is it aware of any pending government legislation that might have a material adverse effect on its properties or operations.

PRC REGULATIONS ON REAL ESTATE DEVELOPMENT AND THE RELEVANT BUSINESS

The operation of real estate development and the relevant business in the PRC are subject to the supervision and administration of the relevant government authorities, including but not limited to the NDRC, the Ministry of Environment Protection, the Ministry of Construction, the Ministry of Housing and Urban-Rural Development of the PRC (“**MOHURD**”), the Ministry of Land Resources, primarily with respect to the establishment of real estate enterprises, acquisition of land use rights, property development, sales/pre-sales of commodity buildings, and environment protection in the PRC.

Establishment of Real Estate Development Enterprises and Qualifications of Real Estate Developers

In accordance with the Law of the People's Republic of China on Urban Real Estate Administration (中華人民共和國城市房地產管理法) (the “**Urban Real Estate Law**”) (promulgated on 5 July 1994, revised respectively on 30 August 2007, 27 August 2009, and 26 August 2019), real estate development enterprises are defined as the enterprises that engage in real estate development and operation for the purpose of seeking profits. In accordance with 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) (the “**Development Regulations**”) (promulgated and implemented on 20 July 1998 by the State Council, and amended respectively on 8 January 2011, 19 March 2018, 24 March 2019, 27 March 2020, and 29 November 2020), a real estate development enterprise shall, within 30 days starting from the date of obtainment of the business licence, file the relevant documents with the competent department of real estate development of the place where the

registration authority is located. The real estate development enterprise shall, in accordance with the verified level of qualification, undertake corresponding real estate development projects. Relevant specific rules may be formulated by the competent administrative department of construction of the State Council.

Pursuant to the Regulations on Administration of Qualification of Real Estate Development Enterprises (房地產開發企業資質管理規定) (the “**Circular 77**”) which was promulgated on 29 March 2000 and amended respectively on 4 May 2015 and 2 March 2022, an enterprise engaged in real estate development shall be approved in accordance with the provisions of application for the enterprise qualification level. Enterprises that fail to obtain certificates of real estate investments shall not engage in the real estate development business.

Development of Real Estate Projects

Land for Development

Although all land in the PRC is owned by the state or is collectively owned, individuals and entities may obtain land use rights and hold such land use rights for development purposes.

On 12 April 1988, the National People’s Congress of the PRC (“**NPC**”) amended the Constitution, permitting the legal transfer of land use right. On 29 December 1988, the Standing Committee of NPC amended the Land Administration Law of the PRC (中華人民共和國土地管理法), permitting the legal transfer of land use right.

Under the Interim Regulations on Grant and Assignment of the State-Owned Urban Land Use Right of the PRC ((中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例), the “**Interim Regulations on Grant and Assignment**”) promulgated by the State Council on 19 May 1990 and amended on 29 November 2020, the PRC adopts a system of granting and assigning state-owned land use right. A land user shall pay a land premium to the State as the consideration for the grant of the land use right by the State for a specified period of time, during which the land user may assign, lease, mortgage or otherwise commercially exploit the land use right. According to the Urban Real Estate Administration Law and the Interim Regulations on Grant and Assignment (出讓和轉讓暫行條例), the land administration authorities at city or county level shall enter into a land grant contract with the land user to grant land use right. The land user shall pay the land premium as stipulated by the land grant contract. After paying the land premium in full, the land user may register with the land administration authorities and obtain a land use right certificate evidencing the acquisition of land use right.

On 31 August 2006, the State Council promulgated the Circular on Strengthening Land Control (關於加強土地調控有關問題的通知). The circular establishes a system for uniformly publicising the minimum rate standards of industrial land grant to uniformly formulate and publicise the minimum rate standards of industrial land grant in all localities. The minimum rate standards of industrial land grant shall not be less than the sum of the cost of obtaining the land, the preliminary cost of land development and the related expenses collected as required. The industrial land must be transferred by way of tender, auction or listing at a price not less than the minimum rates as publicised.

On 28 September 2007, the MLR promulgated the Rules Regarding the Grant of Right to Use State-Owned Construction Land by Way of Tender, Auction and Listing (招標拍賣掛牌出讓國有建設用地使用權規定), which were effective from 1 November 2007. The Rules further clarify the procedures for the grant of land use right by way of tender, auction and listing. Pursuant to the Rules, land for operational purposes such as industry (including warehouse land, but excluding mining land), business, tourism, entertainment and commercial residential housing, and a land parcel with two or more potential users must be granted by way of tender, auction or listing-for-sale. The grantee of land use right may only have the land registered and obtain the land use right certificate after full settlement of the land premium as specified in the relevant land grant contract. No land use right certificate shall be issued before full settlement of the land premium or in proportion to the land premium paid.

On 3 January 2008, the State Council issued the Circular on Promoting the Economical and Intensive Use of Land (Guo Fa [2008] No. 3) (關於促進節約集約用地的通知) (國發[2008]3號), which provides that for land currently used for industrial purpose, under the precondition that it accords with the relevant planning and that the use of land is not changed, if the land utilisation ratio and the plot ratio are increased, no additional land fee should be collected. For newly added land for industrial purpose, control indicators should be further enhanced and no additional land fee should be collected for any part that the GFA of a plant exceeds the control indicators for the plot ratio of such plant. The land user and land fee for land used for industrial and operational purposes must be determined by way of tender, auction or listing.

On 11 May 2009, the MLR issued the Circular on Adjusting the Minimum Rate Standards for Industrial Land Grant (Guo Tu Zi Fa [2009] No.56) (關於調整工業用地出讓最低價標準實施政策的通知) (國土資發[2009]56號). According to the Circular, for industrial projects which fall within the category of priority industries of the provinces (districts/cities) with an intensive use of land, the base price for land grant may be determined at a level of not less than 70 per cent. of the price standard for the class of land where they locate. The base price for industrial land grant shall not be less than the sum of the cost of obtaining the land, the preliminary cost of land development and the related expenses collected as required.

On 10 August 2009, the MLR and Ministry of Supervision of the PRC promulgated the Circular on Further Implementing the Industrial Land Grant System (關於進一步落實工業用地出讓制度的通知). The circular provides that the industrial land shall be granted through tender, auction or listing. During the industrial land grant period, the grantee may increase the plot ratio without paying any additional land premium upon approval, provided that such increase conforms with the plan and that the use of land is not changed.

On 18 November 2009, the MOF, the MLR, the PBOC, Ministry of Supervision and the National Audit Office issued the Circular on Further Tightening Control over Income and Expenses of Land Grant (關於進一步加強土地出讓收支管理的通知). According to the circular, the term of payment by instalment for land premium as stipulated in the land grant contract shall not exceed one year in principle or, in the case of special projects, the payment shall be fully settled within two years as collectively decided by local land grant coordination and decision-making authorities. The down payment shall not be less than 50 per cent. of the land premium.

Project Development

In accordance with the Measures for Administration of Examination and Approval of Construction Land (建設用地審查報批管理辦法) promulgated by the MLR on 2 March 1999, amended on 30 November 2010 and 29 November 2016, respectively, and the Measures for Administration of Preliminary Examination of Construction Project land (建設項目用地預備管理辦法) promulgated by the MLR on 25 July 2001, amended on 1 November 2004, 29 November 2008, and 29 November 2016, respectively, and taking effect from 1 January 2017, the constructor or developer must make a preliminary application for the construction land to the relevant competent land administration authorities. After receiving the preliminary application, the competent land administration authorities shall carry out preliminary examination on matters related to the construction project in compliance with the overall land utilisation plans and national land supply policy. The competent land administration authorities at city or county level will sign a land grant contract with the land user and issue an Approval Certificate for Construction Land to the constructor or developer.

Idle Land

According to the Urban Real Estate Law, those who have obtained the right of land use by way of grant for real estate development must develop the land in accordance with the land use and the construction period as prescribed in the grant contract. When the development has not started one year later than the date for starting the development as prescribed by the grant contract, an idle land fee no more than 20 per cent. of the land grant premium may be collected and when the development has not started two years later, the right to use the land may be confiscated without any compensation, except that the delays are caused by force majeure, the activities of government, or the necessary preparatory work for starting the development. The Measures on Disposal of Idle Land (閒置土地處置辦法), which was promulgated on 28 April 1999 by the Ministry of Land and Resources and revised on 1 June 2012, further defined idle land under specific circumstances.

According to the Notice on Strengthening the Disposing of Idle Land (關於加大閒置土地處置力度的通知) promulgated by the MLR on 8 September 2007, the surcharge on idle land shall be 20 per cent. of the land grant premium in principle and where the land can be recovered without compensation in accordance with the law, it shall be recovered.

On 3 January 2008, the State Council issued a Notice on Promoting Economisation of Land Use (Guo Fa [2008] No. 3) (關於促進節約集約用地的通知) (國發[2008]3號), which urges the full and effective use of existing construction land. The notice also emphasises the strict enforcement of the current rules on idle land. If a piece of land has been idle for over two years, it must be forfeited without compensation in accordance with laws and regulations, and rearranged for any other uses; if the land does not meet the statutory conditions for forfeiture, it must be timely dealt with and fully used through changing usage, replacement by parity value, temporary usage or incorporation into government reserves. If a piece of land has been idle for over one year but less than two years, an idle land fee must be collected at a price of 20 per cent. of the transfer or allotment price. Loans and financing from being listed on a stock market should not be provided to illegal land use projects. Where a loan is provided or a financing plan is approved in an inappropriate manner, the relevant persons should be pursued for liability.

Project Planning

Under the Law on Urban and Rural Planning of the PRC (中華人民共和國城鄉規劃法), promulgated by the Standing Committee of NPC on 28 October 2007, revised respectively on 24 April 2015 and 23 April 2019, a developer who has obtained land use rights by grant shall, after obtaining approval for a construction project and signing a land use rights grant contract, apply to the urban planning authority for the Permit for Construction Site Planning.

The Law on Urban and Rural Planning of the PRC further provides that a developer who has a proposed construction project within the planning area of a city or town must, after obtaining a Permit for Construction Site Planning, prepare the necessary planning and design work, and submit the detailed planning and design report, together with the land use rights certificate, to the urban planning authority or the town government designated by the provincial government, and apply for the Permit for Construction Work Planning.

Project Construction

According to the Measures for Administration of Construction Permit for Construction Projects (建築工程施工許可管理辦法) promulgated by MOHURD on 25 June 2014, revised respectively on 28 September 2018 and 30 March 2021, becoming effective from 25 October 2014, a developer engaging in the construction and decoration of various kinds of houses and buildings as well as the ancillary facilities shall apply for a construction permit from the competent construction administration authorities at county level or above where the construction is located before the commencement of the construction.

According to the Administrative Regulations on the Quality Management of Construction Engineering (建設工程品質管制條例) promulgated by State Council on 30 January 2000, and revised respectively on 7 October 2017 and 23 April 2019, where a construction project owner, in violation of these Regulations, commences construction activities without obtaining a construction permit or with its construction commencement report not being approved, such construction project owner shall be ordered to cease such construction activities and take remedial action within a specified period of time, and be subject to a fine of between 1 per cent. and 2 per cent. of the contractual price for the construction project in question.

Project Completion

According to the Administrative Regulations on the Quality Management of Construction Engineering, the Administrative Measures on the Filing of Acceptance Inspection upon Completion of House Construction and Municipal Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) promulgated by MOHURD on 19 October 2009, and the Provisions on Acceptance Inspection Upon Completion of House Construction and Municipal Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收規定) promulgated by MOHURD in December 2013, after the completion of real estate projects, the real estate developer must organise an acceptance inspection and, after passing the inspection, file with the relevant governmental authorities on such completion of acceptance inspection. A real estate development project shall not be delivered for use until and unless it has carried out and passed the

acceptance inspection. Where a real estate project is developed in phases, acceptance inspection may be carried out by phase.

Construction Safety

Under relevant laws and regulations such as the Laws of Safe Production of the PRC (中華人民共和國安全生產法), promulgated by the Standing Committee of NPC in June 2002 and revised respectively on 27 August 2009, 31 August 2014 and 10 June 2021, the property development enterprise should apply to the supervisory department on safety for the registration of supervision for work safety in construction before the commencement of construction. Constructions without such registration will not be granted a construction work commencement permit by the supervisory body. Contractors for the construction should establish the objectives and measures for work safety and improve the working environment and conditions of workers in a planned and systematic way. A work safety protection scheme should also be set up to carry out the work safety job responsibility system. At the same time, contractors should adopt corresponding site work safety protective measures according to the work protection requirements in different construction stages and such measures shall comply with the labour safety and hygiene standards of the State.

Under the Construction Law of the PRC (中華人民共和國建築法) promulgated by the Standing Committee of NPC in November 1997, revised respectively on 22 April 2011, and 23 April 2019, general construction contractor shall take overall responsibility for the safety in the construction site. Each subcontractor is required to comply with the protective measures adopted by general contractor and to purchase insurance policies covering accident injury for its employees on site.

Mortgages of Real Estate

In accordance with the Urban Real Estate Administration Law, the Civil Code of the People's Republic of China (中華人民共和國擔保法) promulgated by the NPC on 28 May 2020 and implemented on 1 January 2021, and the Measures on the Administration of Mortgages of Property in Urban Areas promulgated by MOHURD in May 1997, amended on 15 August 2001 and 30 March 2021, when a mortgage is lawfully created over the ownership of a building, a mortgage is simultaneously created on the land use rights of the land on which the building is situated. In the case that a mortgage is created over the land use rights of state-owned land acquired through means of grant, the buildings on the land shall also be mortgaged. Within 30 days after a property mortgage contract is signed, the parties to the mortgage must register the mortgage with the property administration authority at the location where the property is situated. A property mortgage contract comes into effect on the date of registration of the mortgage. If a mortgage is created on the property in respect of which a building ownership certificate has been obtained lawfully, the registration authority shall make an entry under the "third party rights" item on the original building ownership certificate and then issue a certificate of third party rights to the mortgagee. If a mortgage is created on under-construction commodity building, the registration authority shall record the details on the mortgage contract. If construction of a real property is completed during the term of a mortgage, the parties involved shall re-register the mortgage of the real property after issuance of the certificates evidencing the ownership of the property.

Property Leasing

Under the Administrative Measures on the Lease of Commodity Housing (商品房屋租賃管理辦法) issued by MOHURD on 1 December 2010, the parties to a lease agreement shall go through the lease registration and filing process with the competent construction (real estate) departments of the municipalities directly under the PRC Government, cities and counties where the housing is located within 30 days after the lease agreement is signed. For those who fail to comply with the above regulations, such competent departments may impose a fine of between RMB1,000 and RMB10,000 per lease.

ENVIRONMENTAL PROTECTION

The laws and regulations governing the environmental protection for real estate developments in China include the Environmental Protection Law of the PRC (中華人民共和國環境保護法), the Prevention and Control of Noise Pollution Law of the PRC (中華人民共和國環境噪聲污染防治法), the Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法) and the Administrative Regulations on Environmental Protection for Development Projects (建設項目環境保護管理條例). Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact report, an environmental impact analysis table or an environmental impact registration form must be submitted by a developer and approved by the relevant environmental regulatory authority, before the relevant authority will grant an approval for the commencement of construction of the real estate development. In addition, upon completion of the construction project, the developers are required to apply to the relevant environmental protection administrations for final acceptance examination in respect of any ancillary environmental protection facilities. Construction projects are approved for use after passing the said acceptance examination.

REGULATION ON ISSUANCE OF FOREIGN NOTES

Pursuant to Order 56, foreign debts refer to debt instruments of one year (excluding) and above, denominated in domestic or foreign currency, and repaid in accordance with the agreement, including senior debts, perpetual debts, capital debts, medium-term notes, convertible bonds, exchangeable bonds, financing leases and commercial loans, etc., raised by enterprises within domestic enterprises, overseas enterprises controlled by them or their overseas branches. Before issuance, enterprises need to submit an application report to NDRC which will issue a Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises to the enterprises that meet the regulations within three months from the date of acceptance. The Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises is valid for one year from the date of issuance. After obtaining the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises, enterprises can handle relevant procedures such as foreign exchange registration, account opening, and fund receipt and payment according to regulations. Enterprises should report information to NDRC through the network system within ten working days after borrowing each foreign debt.

FOREIGN EXCHANGE ADMINISTRATION

The lawful currency of the PRC is the Renminbi, which is subject to foreign exchange controls and is not freely convertible into foreign exchange at this time. The State Administration of Foreign Exchange of (國家外匯管理局, the “SAFE”), under the authority of the People’s Bank of China (中國人民銀行, the “PBOC”), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The principal law governing foreign exchange in the PRC is the PRC Administrative Regulations on Foreign Exchange (中華人民共和國外匯管理條例) (the “**Foreign Exchange Regulations**”). The Foreign Exchange Regulations were enacted by the State Council on 29 January 1996 and implemented on 1 April 1996. On 14 January 1997 and 5 August 2008, the State Council amended the Foreign Exchange Regulations. According to the Foreign Exchange Regulations, RMB is freely convertible for “current account transactions”, which refers to any transaction account for international receipts and payments involving goods, services, earnings and frequent transfers. For “capital account transactions which refers to any transaction account for international receipts and payments that result in any change in external assets and liabilities, including, *inter alia*, capital transfers, direct investments, securities investments, derivatives and loans, prior approval of and registration with the SAFE or its local branches is generally required.

Pursuant to the Administrative Regulation of Foreign Exchange Settlement, Sale and Payment (結匯、售匯及付匯管理規定), which was promulgated by the PBOC on 20 June 1996 and came into effect on 1 July 1996, foreign-invested enterprises may only buy, sell and/or remit foreign currencies at banks authorised to conduct foreign exchange business after providing valid commercial documents and, in the case of capital account transactions, obtaining approval from SAFE or its local branches.

On 9 June 2016, the SAFE promulgated the Notice on Reforming and Standardising the Administrative Provisions on Capital Account Foreign Exchange Settlement (關於改革和規範資本項目結匯管理政策的通知) (the “**SAFE Circular 16**”) which took effect on the same day. According to the SAFE Circular 16, enterprises registered in PRC could settle the external debts in foreign currencies to Renminbi at their own discretion. The SAFE Circular 16 sets a uniform standard for discretionary settlement of foreign currencies under capital accounts (including but not limited to foreign currency capital, external debts and repatriated funds raised through overseas listing), which is applicable to all enterprises registered in PRC. It reiterated that the Renminbi funds obtained from the settlement of foreign currencies shall not be used directly or indirectly for purposes beyond the company’s scope of business, and shall not be used for domestic securities investment or investments and wealth management products other than principal-protected products issued by banks, unless otherwise expressly prescribed. Furthermore, such Renminbi funds shall not be used for disbursing loans to non-affiliated enterprises, unless the scope of business expressly provides so; and shall not be used to construct or purchase real estate not for self-use (except for real estate enterprises).

The Notice of the State Administration of Foreign Exchange on Matters concerning the Issuance of Foreign Exchange Administration Rules for Trade in Goods (國家外匯管理局關於印發貨物貿易外匯管理法規有關問題的通知), which was promulgated by the SAFE on 27 June 2012 and took effect on 1 August 2012, as amended on 30 December 2019, allows the loans made by domestic financial institutions and funds transferred back from overseas under the export trade financing account to be directly transferred to enterprises' current foreign exchange accounts.

PRC CURRENCY CONTROLS

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under the PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers into and outside the PRC.

Pursuant to the Measures on the Trial Administration of Settling Cross-Border Transactions in Renminbi (跨境貿易人民幣結算試點管理辦法) which was promulgated on 1 July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in certain pilot regions. On 17 June 2010, 27 July 2011, 3 February 2012 and 13 March 2014 respectively, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通知), the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement (關於擴大跨境貿易人民幣結算地區的通知) and the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知) and the Notice on Simplifying Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (關於簡化出口貨物貿易人民幣結算企業管理有關事項的通知) (together as “**Circulars**”). Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods without obtaining the approval as previously required, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the “**Six Authorities**”) a list of key enterprises subject to supervision and the Six Authorities have reviewed and approved such list (the “**Supervision List**”).

Accordingly, offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items. Renminbi remittance for exports of goods from the PRC may only be effected by (a) enterprises with the foreign trading right and incorporated in a province which has already submitted the Supervision List (for the avoidance of doubt, that PRC enterprises do not necessarily need to be included in the Supervision List), or (b) enterprises that

have been approved as pilot enterprises for using Renminbi for exports before the Six Authorities reviewed and approved the Supervision List submitted by relevant province.

On 5 July 2013, PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “**2013 PBOC Circular**”), which, in particular, simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions on a need basis (noting that verification of underlying transactions is usually a precondition for cross border remittance).

On 1 November 2014, the PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “**2015 PBOC Circular**”), which, *inter alia*, has lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises within a pilot free trade zone in the PRC, such as the China (Shanghai) Pilot Free Trade Zone (“**Shanghai FTZ**”), may establish an additional cash pool in the local scheme in such pilot free trade zone, but each onshore company within the group may only elect to participate in one cash pool.

The regulations referred to will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circulars and the 2013 PBOC Circular and impose conditions for settlement of current account items.

Capital Account Items

Under the PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital account payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency.

On 7 April 2011, SAFE promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (關於規範跨境人民幣資本項目業務操作有關問題的通知) (“**SAFE RMB Circular**”), which became effective on 1 May 2011. According to the SAFE RMB Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make contributions to an onshore enterprise or make payments for the transfer of an equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the prior written consent of the MOFCOM or the relevant local counterparts to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE RMB Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity in Renminbi shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On 13 October 2011, the PBOC promulgated the “Administrative Measures on Renminbi Settlement of Foreign Direct Investment” (外商直接投資人民幣結算業務管理辦法) (the “**PBOC FDI Measures**”) which was amended on 29 May 2015 as part of the implementation of the PBOC’s detailed Renminbi foreign direct investments (“**FDI**”) accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. Under the PBOC FDI Measures, special approval for FDI and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases, however, post-event filing with the PBOC is still necessary. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC FDI Measures, which provides more detailed rules relating to cross-border Renminbi direct investments and settlement.

Pursuant to the PBOC Circular on Clarifying the Detailed Operating Rules for RMB Settlement Business in Relation to Foreign Direct Investment (中國人民銀行關於明確外商直接投資人民幣結算業務操作細則的通知) (the “**PBOC RMB FDI Detailed Rules**”) which was promulgated on 14 June 2012 and amended on 5 June 2015, and the Announcement on Revising Certain Articles of Two Departmental Rules Including the Administrative Provisions on Overseas Foreign Exchange Accounts and Five Regulatory Documents Including the Interim Provisions on the Administration of Domestic Foreign Exchange Transfer (關於對《境外外匯賬戶管理規定》等2件部門規章和《境內外匯劃轉管理暫行規定》等5件規範性檔予以修改的公告) which was promulgated on 5 June 2015, a foreign-invested enterprise shall not use RMB funds in its RMB special deposit account for registered capital purposes, nor shall it use RMB funds in its RMB general offshore loan deposit account for the purchase of financial products or properties not for its own use. Further, foreign-invested enterprises that are not investment companies must not use such RMB funds for reinvestment within the territory of the PRC.

On 3 December 2013, MOFCOM promulgated the “Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment” (商務部關於跨境人民幣直接投資有關問題的公告) (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds

from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

To support the development of the Shanghai FTZ, the Shanghai Head Office of the PBOC issued the Circular on Supporting the Expanded Cross-border Utilisation of Renminbi in the Shanghai FTZ (關於支持中國(上海)自由貿易試驗區擴大人民幣跨境使用的通知) (the “**PBOC Shanghai FTZ Circular**”) on 20 February 2014, which allows banks in Shanghai to directly handle the cross-border RMB settlement under recurring items and direct investment items by presenting the collection and payment instructions submitted by the institutions in Shanghai (except for those in the list of enterprises subject to key regulation for RMB settlement of exports trade) and individuals, based on the principles of “knowing your client”, “knowing your business” and “due diligence”. When handling the settlement under direct investment items for the above subjects, banks shall, according to the requirements of the negative list approach for investment admission of the Shanghai FTZ, require the presenting of the approval documents issued by the approval authority for cross-border RMB settlement under direct investment items within the scope of the negative list approach. However, the application of the Shanghai FTZ Circular is limited to the Shanghai FTZ.

These PRC regulations have been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and such new regulations will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

CROSS-BORDER SECURITY LAWS

SAFE promulgated the SAFE Regulations on 12 May 2014. The SAFE Regulations, which come into force on 1 June 2014, replace 12 other regulations regarding cross-border security and introduce a number of significant changes, including: (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration for two specific types of cross border security only; (iii) removing eligibility requirements for providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing or any other SAFE administrative requirements; (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under the SAFE Regulations. The SAFE Regulations classify cross-border security into three types:

- NBWD: security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor.
- Wai Bao Nei Dai (外保內貸) (“**WBND**”): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor.
- Other Types of Cross-border Security (其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-financial institution, it shall conduct a registration of the relevant security/guarantee with SAFE within 15 working days after its execution (or 15 working days after the date of any change to the security). The funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. The onshore security provider can pay to the offshore creditor directly (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore note issuance, the offshore issuer's equity shares must be fully or partially held directly or indirectly by the onshore security provider. Moreover, the proceeds from any such offshore note issuance must be applied towards the offshore project(s), where an onshore entity holds an equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC Laws.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes and the Trust Deed. The Guarantor's obligations in respect of the Notes and the Trust Deed are contained in the Guarantee of the Notes. The Guarantee of the Notes will be executed by the Guarantor on or before the Issue Date. Under the SAFE Regulations, the Guarantee of the Notes does not require any pre-approval by SAFE and is binding and effective upon execution.

The Guarantor is required to submit the Guarantee of the Notes to the local SAFE for registration within 15 China Business Days after its execution. The SAFE registration is merely a post signing registration requirement, which is not a condition to the effectiveness of the Guarantee of the Notes.

Under the SAFE Regulations, the local SAFE will go through a procedural review (as opposed to a substantive approval process) of the Guarantor's application for registration. Upon completion of the review, the local SAFE will issue a registration notice or record to the Guarantor to confirm the completion of the registration.

Under the SAFE Regulations:

- non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC law although SAFE may impose penalties on the Guarantor if submission for registration is not carried out within the stipulated timeframe of 15 working days; and
- there may be logistical hurdles at the time of remittance (if any cross border payment is to be made by the Guarantor under the Guarantee of the Notes) as domestic banks may require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Guarantee of the Notes itself.

The Terms and Conditions of the Notes provide that the Guarantor will register, or cause to be registered, the Guarantee of the Notes with SAFE in accordance with, and within the time period prescribed by, the SAFE Regulations and use its best endeavours to complete the registration and obtain a registration record from SAFE on or before the Registration Deadline. If the Guarantor fails to complete the SAFE registration and deliver the registration records to the Trustee before

the Registration Deadline, under the Terms and Conditions of the Notes, Noteholders may require the Issuer to redeem their Notes.

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 and laws resulting from international treaties entered into by the PRC government. In general, only limited volumes of published court decisions may be cited for reference, and such cases have limited precedential value as they are not binding on subsequent cases.

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 and the Standing Committee of the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul administrative regulations which contradict the PRC Constitution and the national laws, while the State Council has the power to alter or annul any inappropriate rules of the ministries under the State Council. The people's congresses or their standing committees of the provinces, autonomous regions and municipalities directly under the Central Government may, in light of the specific conditions and actual needs of their respective administrative areas, enact local regulations, provided that such regulations do not contradict the PRC Constitution, the national laws and the administrative regulations. The People's Congresses or their standing committees of certain large cities may, in light of the specific local conditions and actual needs, enact local regulations, provided that they do not contradict the PRC Constitution, the national laws, the administrative regulations and the local regulations of their respective provinces or autonomous regions, and they shall submit the regulations to the standing committees of the people's congresses of the provinces or autonomous regions for approval before implementation.

The people's governments of the provinces, autonomous regions, municipalities directly under the Central Government and certain large cities may, in accordance with the national laws and administrative regulations and the local regulations of their respective province, autonomous regions or municipalities, enact rules.

In relation to certain matters except the coercive measures and punishment in respect to crime and criminal penalty, deprivation of political rights and restriction of personal liberty, and to judicial system, the State Council can enact administrative regulations under the authorisation from the NPC and the Standing Committee of NPC. After such administrative regulations have been tested in practice and when the conditions are mature for enacting a law on the

aforementioned matters, the State Council shall propose to the NPC and the Standing Committee of NPC in a timely manner for enacting the law.

The PRC Constitution vests the power to interpret laws in the Standing Committee of the NPC. The Supreme People's Court has the power to give general interpretation on the application of laws in judicial proceedings, according to Resolution of the Standing Committee of the NPC providing an Improved Interpretation of the Law (全國人民代表大會常務委員會關於加強法律解釋工作的決議). The State Council and its ministries and commissions are also vested with the power to interpret rules and regulations that they have promulgated. At the regional level, the power to interpret regional rules and regulations is vested in the regional legislative and administrative bodies which promulgated such laws.

THE PRC JUDICIAL SYSTEM

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

The local courts are comprised of the basic courts, the intermediate courts and the higher courts.

The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The judicial work of the courts at lower levels is subject to supervision by the courts at higher levels. 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 judgement or order of a local court to the court at the next higher level. Second judgements or orders given at the next higher level and the first judgements 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 judgement which has been given by any court at a lower level, or the president of a court finds an error in a judgement 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 respectively on 28 October 2007, 31 August 2012, 27 June 2017 and 24 December 2021, 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 judgement 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 the courts of a foreign country impose restrictions on the civil procedural rights of PRC citizens, legal persons and other organisations, the PRC courts shall apply the principle of reciprocity to the civil procedural rights of citizens, legal persons and organisations of such a foreign country. If any party to a civil action refuses to comply with a judgement 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 judgement, 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 judgment made by the court within the stipulated time, the court will, upon application by either party, mandatorily enforce the judgment.

Where a party applies for enforcement of an effective judgment or ruling of a court, if the party against whom enforcement is sought or the property thereof is not within the territory of the PRC, the applicant may apply directly to the foreign court having jurisdiction for recognition and enforcement, or apply to a PRC court for such court to request recognition and enforcement by the foreign court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. Where a valid and effective judgment or ruling of a foreign court requires recognition and enforcement by a court of the PRC, a party may apply directly to the intermediate court of the PRC having jurisdiction for recognition and enforcement, or apply to the foreign court for the foreign court to request recognition and enforcement by the PRC court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. After examining an application or request for recognition and enforcement of a valid and effective judgment or ruling of a foreign court in accordance with an international treaty concluded or acceded to by the PRC or under the principle of reciprocity, a PRC court shall issue a ruling to recognise the legal force of the judgment or ruling and issue an order for enforcement as needed to enforce the judgment or ruling according to the relevant provisions of the Civil Procedure Law of the PRC if the PRC court deems that the judgment or ruling does not violate the basic principles of the laws of the PRC and the sovereignty, security and public interest of the PRC. If the judgment or ruling violates the basic principles of the laws of the PRC or the sovereignty, security or public interest of the PRC, the PRC court shall not grant recognition and enforcement.

EIT LAW

According to the Enterprise Income Tax Law of the PRC (the “**EIT Law**”) that promulgated on 16 March, 2007 and was amended respectively on 24 February 2017, 29 December 2018, and the Implementation Regulations for the EIT Law of the PRC which promulgated on 6 December 2007 and was amended on 23 April 2019, a company which is identified as a resident enterprise by relevant PRC tax authorities, the dividends (not including investment income from stocks issued publicly by other PRC resident enterprises and traded on PRC stock exchanges where the holding period is less than 12 months consecutively) received by the company from its direct equity investment in other PRC resident enterprises shall be exempt from enterprise income tax, and furthermore, the company would be obligated to withhold PRC income tax of up to 10 per cent., or a lower rate if tax treaty benefits are available, on the payments of interest and certain other amounts to the creditors that are non-resident enterprises, because the interest and other amounts would be regarded as being derived from sources within the PRC.

VALUE-ADDED TAX

The MOF and the SAT of PRC has implemented the pilot programme of replacing business tax with VAT since 2016. According to Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Programme of Replacing Business Tax with Value-added Tax (Caishui No. [2016] 36), which was promulgated in March 2016 and was amended respectively on 11 July 2017, 25 December 2015 and 20 March 2019, (i) entities and individuals engaging in the sale of services, intangible assets or real property within the territory of the People's Republic of China shall be the taxpayers of VAT and shall, instead of business tax, pay VAT in accordance with these Measures; (ii) sale of services refers to the provisions of transportation services, postal services, telecommunication services, construction services, financial services, modern services and consumer services; and (iii) financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments.

INTELLECTUAL PROPERTY LAWS AND REGULATIONS

China has adopted legislation related to intellectual property rights, including trademarks, patents and copyrights. China is a signatory to all major intellectual property conventions, including the Paris Convention for the Protection of Industrial Property, Madrid Agreement on the International Registration of Marks and Madrid Protocol, Patent Cooperation Treaty, Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and the Agreement on Trade-Related Aspects of Intellectual Property Rights (the “TRIPs”).

Regulations on Patents

Under the revised Patent Law of the PRC promulgated on 27 December 2008 and effective on 1 October 2009 and was amended on 17 October 2020 there are three types of patents, including invention patents, design patents and utility model patents. Invention patents are valid for twenty years, while design patents and utility model patents are valid for ten years, in each case commencing on their respective application dates. Persons or entities who use patents without the consent of the patent owners, make counterfeits of patented products, or engage in activities that infringe upon patent rights are held liable to the patent owner for compensation and may be subject to fines and even criminal punishment.

According to the Patent Law of the PRC, the “first to file” principle is adopted for the patent application, which means when more than one person files a patent application for the same invention, the patent will be granted to the person who files the application first. In addition, the PRC requires absolute novelty for the sake of an invention to be patentable. Therefore, in general, a patent will be denied if it is publicly known in or outside of the PRC. Furthermore, patents issued in the PRC are not enforceable in Hong Kong, Taiwan or Macao, each of which has an independent patent system.

According to the Patent Cooperation Treaty (the “PCT”) to which China is a signatory, applications for the protection of inventions in any of the contracting states of the PCT may be filed as international applications.

Regulations on Trademarks

Both Trademark Law of the PRC promulgated by the National People’s Congress Standing Committee in 1982 and amended in 2001, 2013 and 2019, and the Regulation on Implementation of Trademark Law of the PRC promulgated by the State Council in 2002 and amended in 2014 provide protection to the holders of registered trademarks. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certificate marks.

The Trademark Office under the SAIC handles trademark registrations and grants a term of ten years to registered trademarks, renewable every ten-years where a registered trademark needs to be used after the expiration of its validity term, a registration renewal application shall be filed within six months prior to the expiration of the term.

Under the Trademark Law of the PRC, any of the following acts may be regarded as an infringement upon the right to exclusive use of a registered trademark, including (i) using a trademark which is identical with or similar to the registered trademark on the same or similar commodities without authorisation; (ii) selling the commodities that infringe upon the right to exclusive use of a registered trademark; (iii) forging, manufacturing the marks of a registered trademark of others without authorisation, or selling the marks of a registered trademark forged or manufactured without authorisation; and (iv) causing other damage to the right to exclusive use of a registered trademark of another person. Violation of the Trademark Law of the PRC may result in the imposition of fines, confiscation and destruction of the infringing commodities.

Trademark licence agreements must be filed with the Trademark Office under the SAIC or its regional counterparts. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities.

Regulations on Domain Names

The Measures for the Administration of Domain Names for Internet, which were promulgated by the Ministry of Industry and Information Industry on 24 August 2017 and effective on 1 November 2017, regulate registrations of domain names with the Internet country code “.cn” and domain names in Chinese.

The Implementation Rules for National Top Level Domain Name Registration, which were promulgated by the Chinese Internet Network Information Centre on 18 June 2019 and became effective on the same date, require domain name disputes to be submitted to institutions authorised by the Chinese Internet Network Information Centre for resolution.

ANTI-COUNTERFEITING REGULATIONS

According to the Trademark Law of the PRC, counterfeit or unauthorised production of the label of another person's registered trademark, or sale of any label that is counterfeited or produced without authorisation will be deemed as an infringement of the exclusive right to use a registered trademark. The infringing party will be ordered to cease infringement immediately, a fine may be imposed and the counterfeit goods will be confiscated. The infringing party may also be held liable for damages suffered by the owner of the intellectual property rights, which will be equal to the gains obtained by the infringing party or the losses suffered by such owner as a result of the infringement, including reasonable expenses incurred by such owner in connection with enforcing its rights.

Under the E-commerce Law of the People's Republic of China, E-commerce platform operators shall establish rules for intellectual property protection, strengthen cooperation with intellectual property right holders, and protect intellectual property pursuant to the law. An intellectual property right holder asserting that his/her/its intellectual property is being infringed upon shall have the right to notify the e-commerce platform operator to adopt measures such as deleting, shielding or removing the hyperlink, terminating transaction and services etc. The notice shall include the preliminary evidence for the infringement. Upon being notified, the e-commerce platform operator shall promptly adopt the requisite measures, and shall forward the notification to the business operators using the platform; where the e-commerce platform operator fails to adopt the requisite measures promptly, it shall bear joint and several liability with the business operator using the platform for the escalated portion of the damages. Where a notification mistake causes the business operator using the platform to suffer damages, the intellectual property right holder shall bear civil liability pursuant to the law. Where the notification mistake is made maliciously and the business operator using the platform suffers damages as a result thereto, the intellectual property right holder shall bear double compensation liability.

REGULATIONS ON LABOUR PROTECTION

Enterprises in China are mainly subject to the following PRC labour laws and regulations: Labour Law of the PRC, PRC Employment Contracts Law (the "**Employment Contracts Law**"), the Regulation of Insurance for Work-Related Injury, the Regulations on Unemployment Insurance, the Provisional Measures on Insurance for Maternity of Employees, the Interim Regulation on the Collection and Payment of Social Insurance Premiums, the Administrative Regulation on Housing Fund and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

Pursuant to Labour Law of the PRC companies must enter into employment contracts with their employees, based on the principles of equality, consent and agreement through consultation. Companies must establish and effectively implement a system of ensuring occupational safety and health, educate employees on occupational safety and health, preventing work-related accidents and reducing occupational hazards. Companies must also pay for their employees' social insurance premium.

The principal regulations governing the employment contract is the PRC Employment Contracts Law, which was promulgated by the Standing Committee of the NPC on 29 June 2007 and came into effect on 1 January 2008, and was amended respectively on 28 December 2012 and 29 December 2018. Pursuant to the Employment Contracts Law, employers shall establish employment relationship with employees on the date that they start employing the employees. To establish employment, a written employment contract shall be concluded, or employers will be liable for the illegal actions. Furthermore, the probation period and liquidated damages shall be restricted by the law to safeguard employees' rights and interests.

As required under the Regulation of Insurance for Work-Related Injury, the Provisional Measures on Insurance for Maternity of Employees and the Administrative Regulation on Housing Fund, enterprises in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance, medical insurance and housing accumulation fund.

DIVIDEND DISTRIBUTIONS

Under Company Law of the PRC, before dividends can be paid, a company shall set aside a minimum of 10 per cent. of its after-tax profit as a statutory surplus reserve fund. A company is not required to do so until the reserve balance reaches 50 per cent. of its registered capital. If a company's statutory reserve fund is not sufficient to cover its losses in previous years, a company shall use its profit of the current year to cover losses before retaining the statutory reserve fund. After a company has retained the statutory reserve fund as required, it may retain discretionary reserve fund from the after-tax profit (as approved by shareholders' meeting). After losses are covered and the reserve fund is retained, a company may distribute dividends to its shareholders.

TAXATION

The following summary of certain Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions in effect as of 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 of 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. Persons considering the purchase of Notes should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of Notes.

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 “IRO”) as it is currently applied by 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:

- (a) interest on the Notes is received by or accrues to a financial institution (as defined in the IRO) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- (c) 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 is in respect of the funds of the trade, profession or business; or
- (d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

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

Sums derived from the sale, disposal or redemption of 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 and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the “**FSIE Amendments**”), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) 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 FSIE Amendments also provide 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 advisers to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

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

PRC

The following summary accurately 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 (a) non-PRC Noteholders, or (b) beneficial owners who are entities or individuals located outside of the PRC in this “*Taxation – PRC*” section. In considering whether to invest in the Notes, investors should consult their individual tax advisers with regard to the application of 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.

Enterprise Income Tax and Individual Income Tax

Pursuant to the EIT Law and its implementation regulations and Individual Income Tax Law of the PRC, which was recently amended on 31 August 2018, and its implementation regulations, an income tax is imposed on payment of interest by way of withholding in respect of debt

securities, issued by PRC enterprises to non-PRC Noteholders, including non-PRC resident enterprises and non-PRC resident individuals. The current rates of such income tax are 10 per cent. for non-PRC resident enterprises and 20 per cent. for non-PRC resident individuals.

If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the actual management organ of the Issuer is within the territory of PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to EIT at the rate of 25 per cent. in respect of its income sourced from both within and outside PRC. If the Issuer is regarded as a PRC tax resident enterprise, interest and capital gains realised by non-resident holders of the Notes may be treated as income derived from sources within the PRC and may be subject to income tax, and 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 due. Also, if the Issuer is regarded as a PRC tax resident enterprise, any gain realised on the transfer of the Notes by such investors is subject to a 10 per cent. PRC income tax if such gain is regarded as income of a “non-resident enterprise” derived from sources within the PRC. Where the holder is a non-PRC resident individual, such holder may be subject to PRC individual income tax at the rate of 20 per cent. on payment of interest or gains (which in the case of interest may be withheld at source). To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Noteholders. The tax so charged on interests paid on the Notes to non-PRC Noteholders who, or which are residents of Hong Kong (including enterprise holders and individual holders) as defined in the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) which was promulgated on 21 August 2006 (the “Arrangement”) will be 7 per cent. of the gross amount of the interest pursuant to the Arrangement and relevant interpretation of the Arrangement formulated by the SAT. To enjoy this preferential tax rate of 7 per cent., the Issuer could apply, on behalf of the Noteholders, to the SAT for the application of the tax rate of 7 per cent. in accordance with the Arrangement on the interest payable in respect of the Notes.

In addition, as the Guarantor is regarded a PRC resident enterprise, if the Issuer is not able to make payments under the Notes and the Guarantor fulfils the payment obligations of the Guarantee of the Notes, the Guarantor may withhold PRC income tax on payments of interest with respect to the Notes to non-resident enterprise holders at the rate of 10 per cent. and to non-resident individual holders at a rate of 20 per cent., in each case, subject to the provisions of any applicable tax treaty.

Value-add Tax

On 23 March 2016, the Ministry of Finance and the SAT issued the Circular 36 which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Notes is likely to be treated as the Noteholders providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT. Further, the payments of the interest and other interest like earnings may be subject to VAT at the rate of 6 per cent. in the event that the Guarantor is required to discharge its obligations under the Guarantee of the Notes.

Where a Noteholder who is an entity or individual located outside of the PRC resells the Notes to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply and the Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC.

Given Circular 36 has been issued quite recently, the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

Pursuant to the EIT Law and the VAT reform detailed above, if the Issuer is regarded as a PRC tax resident enterprise, it shall withhold EIT (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholder and the Issuer shall withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that the Issuer is required to make such a deduction or withholding (whether by way of EIT, VAT or otherwise), the Issuer has agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. For more information, see “*Terms and Conditions of the Notes – Taxation*”.

Stamp Duty

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

DESCRIPTION OF CERTAIN MATERIAL DIFFERENCES BETWEEN PRC ACCOUNTING STANDARDS AND IFRS

The consolidated financial statements of the Group included in this Offering Circular have been prepared and presented in accordance with the PRC Accounting Standards. PRC Accounting Standards is substantially in line with IFRS, except for certain modifications between PRC Accounting Standards 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 Accounting Standards 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. 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 Accounting Standards 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 be required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC Accounting Standards and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC Accounting Standards 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 Accounting Standards 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 Accounting Standards and IFRS is complete.

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

GOVERNMENT GRANT

PRC Accounting Standards only requires an assets-related government grant to be recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. However, under IFRS, such assets-related government grants are allowed to be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Under PRC Accounting Standards, the relocation compensation for public interests shall be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and purchases of assets after the relocation shall be transferred from special payables to deferred income and accounted for in accordance with the

government grants standard. The surplus reached after deducting the amount transferred to deferred income shall be recognised in capital reserve.

Under IFRS, if an entity relocates for reasons of public interests, the compensation received shall be recognised in profit and loss.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC Accounting Standards, 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 Accounting Standards, 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 Accounting Standards, 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 and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 8 July 2025 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer and the Guarantor have undertaken, among other things, that the Notes will be issued on the Issue Date, and the Joint Lead Managers have agreed, severally and not jointly, with the Issuer to subscribe and pay for, or procure subscribers to subscribe and pay for, the aggregate principal amount of the Notes set forth opposite its name below:

Joint Lead Managers	Principal amount of the Notes to be subscribed
	<i>(CNY)</i>
China CITIC Bank International Limited	650,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	450,000,000
China Zheshang Bank Co., Ltd. (Hong Kong Branch)	450,000,000
Haitong International Securities Company Limited	450,000,000
Hua Xia Bank Co., Limited Hong Kong Branch	450,000,000
ICBC International Securities Limited	450,000,000
Soochow Securities International Brokerage Limited	50,000,000
CMBC Securities Company Limited	50,000,000
Industrial and Commercial Bank of China Limited, Singapore Branch	50,000,000
BOCOM International Securities Limited	50,000,000
Bank of Communications Co., Ltd. Hong Kong Branch	50,000,000
Guotai Junan Securities (Hong Kong) Limited	50,000,000
CLSA Limited	50,000,000
China Galaxy International Securities (Hong Kong) Co., Limited	50,000,000
China Industrial Securities International Brokerage Limited	50,000,000
Dongxing Securities (Hong Kong) Company Limited	50,000,000
Huatai Financial Holdings (Hong Kong) Limited	50,000,000
China International Capital Corporation Hong Kong Securities Limited	50,000,000
Total	<u>3,500,000,000</u>

The Subscription Agreement provides that the Issuer (failing which, the Guarantor) has agreed to pay the Joint Lead Managers certain fees and underwriting commissions, to reimburse the Joint Lead Managers for certain of their expenses in connection with the initial sale and distribution of the Notes, and the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Manager to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and their respective subsidiaries affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and certain of their respective subsidiaries or affiliates may have, performed certain investment banking and advisory services

for, and entered into certain commercial banking transactions with the Issuer, the Guarantor or any member of the Group and/or the Guarantor's subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor or any member of the Group and/or the Guarantor's subsidiaries and affiliates in the ordinary course of their business.

The Joint Lead Managers and their respective affiliates or affiliates of the Issuer may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. 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 or affiliates of the Issuer acting in such capacity. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. 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 distribution of this Offering Circular, or any offering material, and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular, or any offering material, are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken that would, or is intended to, permit a public offering of the Notes, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Accordingly, the Notes should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Notes should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Joint Lead Managers.

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

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

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

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

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

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

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

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

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

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

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

Underlying investor information in relation to omnibus order should be sent to Project_Chenfan_III@cncbinternational.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 it 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, the Guarantor, 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.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Joint Lead Managers that it is not a Sanctions Restricted Person. A **“Sanctions Restricted Person”** means an individual or entity (a **“Person”**): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current Specially Designated Nationals List (which as of the date hereof can be found at: <http://sanctionslist.ofac.treas.gov/Home/SdnList>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at: <http://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current Sectoral Sanctions Identifications List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the **“SSI List”**), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the **“EU Annexes”**), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce’s Bureau of Industry and Security (**“BIS”**) under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled “Addressing the Threat from Securities Investments that Finance Certain Companies of the People’s Republic of China” (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled “Addressing the threat from Securities Investments that Finance Chinese Military Companies”; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, Crimea, the Luhansk region of Ukraine, the Donetsk region of Ukraine, the Kherson region of Ukraine and the Zaporizhzhia region of Ukraine. **“Sanctions Authority”** means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury.

GENERAL

The Notes are a new issue of securities with no established trading market. No assurance can be given as to the liquidity of any trading market for the Notes.

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe

such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

UNITED STATES

The Notes and the Guarantee of the Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has represented that it has not offered or sold, and has agreed that it will not offer or sell, any Notes and the Guarantee of the Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Each Joint Lead Manager represents and agrees that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Notes and the Guarantee of the Notes. Terms used in this paragraph have the meaning given to them by Regulation S.

UNITED KINGDOM

Each Joint Lead Manager has represented and agreed that:

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

HONG KONG

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) 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 (ii) in other circumstances which do not result in the document being a

“prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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 the 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 the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong, Macao or Taiwan), except as permitted by the applicable laws of the PRC.

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, warranted 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 2001 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.

MACAO

The Notes have not been and will not be promoted, distributed, sold or delivered in Macao, or any document relating to the Notes be distributed or circulated in Macao, except under the terms of and in compliance with the Financial System Act of Macao and any other laws in Macao that may apply to the offer and sale of the Notes in Macao. The Notes have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macao, thus may not be offered or sold in Macao, unless such offer is made by Macao licensed entities according to the Financial System Act of Macao and upon their communication to the Monetary Authority of Macao, in observation of the guidelines and recommendations issued by the Macao local regulatory authority from time to time.

GENERAL INFORMATION

AUTHORISATIONS

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Notes and the execution of the Trust Deed and the Agency Agreement. The issue of the Notes was authorised by the resolutions of the board of directors of the Issuer dated 28 November 2024.

The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the giving and performance of the Guarantee of the Notes and the execution of the Trust Deed, the Agency Agreement and the Deed of Guarantee. The giving of the Guarantee of the Notes was authorised by the resolutions of the board of directors of the Guarantor dated 29 November 2024.

LITIGATION

There are no legal or arbitration proceedings against or affecting the Issuer, the Guarantor, any member of the Group or any of their assets that may have a material adverse effect on the Issuer, the Guarantor or the Group's business or financial condition or are material in the context of the issue of the Notes or the giving of the Guarantee of the Notes, and each of the Issuer and the Guarantor is not aware of any pending or threatened proceedings, which are material in the context of the issue of the Notes or the giving of the Guarantee of the Notes.

NO MATERIAL ADVERSE CHANGE

There has been no material adverse change, nor any development or event involving a prospective material adverse change, in or affecting the general affairs, financial condition, results of operations or prospects of the Issuer, the Guarantor and the Group since 31 December 2024.

DOCUMENTS AVAILABLE

So long as any of the Notes is outstanding, copies of the following documents will be available for inspection upon prior written request and satisfactory proof of holding from the Issue Date at the principal office of the Guarantor in the PRC at Unit 01, 10/F, Building A, Xiangyu Group Building, 81 Xiangyu Road, Xiamen Area, China (Fujian) Pilot Free-Trade Zone, China during normal business hours:

- the Trust Deed;
- the Deed of Guarantee;
- the Agency Agreement;
- the audited financial statements of the Issuer as at and for the years ended 31 December 2023 and 2024; and

- the audited consolidated financial statements of the Guarantor Group as at and for the years ended 31 December 2023 and 2024.

For so long as any of the Notes is outstanding, copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement will also be available for inspection upon prior written notice and provision of proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the CMU Lodging and Paying Agent during at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the principal office of the Trustee (being at the Issue Date (as defined below) at 80/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong) and at the specified office for the time being of the CMU Lodging and Paying Agent.

ENFORCEMENT

The Notes provide that the Trustee may take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or provided with security and/or pre-funded to its satisfaction. It may not be possible for the Trustee to take certain actions whether in relation to the Notes or otherwise and accordingly in such circumstances the Trustee fails to take such actions within a reasonable time and such failure is continuing, notwithstanding the provision of an indemnity, security or fund to it, and it will be for Noteholders to take such actions directly.

CLEARING SYSTEM AND SETTLEMENT

The Notes have been accepted for clearance through the facilities by the CMU under CMU Instrument Number KWHKFN25028, ISIN HK0001166930 and Common Code 311399055.

FINANCIAL STATEMENTS

The Issuer Audited Financial Statements as at and for the years ended 31 December 2023 and 2024, which are included elsewhere in this Offering Circular, have been audited by Deloitte.

The audited consolidated financial statements of the Guarantor as of and for the years ended 31 December 2023 and 2024 have been audited by RSM China. The Guarantor has prepared the Financial Statements Translation, as set out elsewhere in this Offering Circular. The Financial Statements Translation does not itself constitute audited and reviewed, as the case may be, financial statements. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, advisers, directors, officers, employees, agents or representatives or any person who controls any of them has independently verified or checked the accuracy of the Financial Statements Translation and gives no assurance that the information contained in the Financial Statements Translation is accurate, truthful or complete.

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. It is expected that the listing of, and permission to deal in, the Notes on the Hong Kong Stock Exchange, will commence on or about 16 July 2025.

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HONGKONG XIANGYU INVESTMENT CO., LIMITED

香港象嶼投資有限公司

(incorporated in Hong Kong with limited liability)

Report and Financial Statements

For the year ended 31 December 2024

HONGKONG XIANGYU INVESTMENT CO., LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HONGKONG XIANGYU INVESTMENT CO., LIMITED

香港象嶼投資有限公司

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of HONGKONG XIANGYU INVESTMENT CO., LIMITED (the "Company") set out on pages 4 to 30, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Restriction on Use

The financial statements are prepared solely for inclusion in the offering circular of the Company in connection with the proposed issuance of guaranteed notes. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Company's inclusion in the offering circular of the Company in connection with the proposed issuance of guaranteed notes. For the avoidance of doubt, all duties and liabilities (including, without limitation, those arising from negligence or otherwise) to any third party are specifically disclaimed. Accordingly, any other person who relies on this report does so entirely at their own risk. As explained in our engagement letter governing this engagement, the Contracts (Rights of Third Parties) Ordinance does not apply, and only the signing parties to the engagement letter contract have any rights under it.



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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HONGKONG XIANGYU INVESTMENT CO.,

LIMITED - continued

香港象嶼投資有限公司

(incorporated in Hong Kong with limited liability)

Other Matters - continued

Statutory annual financial statements of the Company

The Company has prepared financial statements for the year ended 31 December 2023 in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and in compliance with the Hong Kong Companies Ordinance on which were audited by another auditor who issued auditor's report to the member of the Company and expressed an unmodified opinion on those statements on 19 April 2024. The Company has prepared financial statements for the year ended 31 December 2024 in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and in compliance with the Hong Kong Companies Ordinance on which were audited by us who issued auditor's report to the sole member of the Company and expressed an unmodified opinion on those statements on 30 April 2025.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HONGKONG XIANGYU INVESTMENT CO., LIMITED -
continued

香港象嶼投資有限公司

(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements - continued

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 May 2025

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HONGKONG XIANGYU INVESTMENT CO., LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u> US\$	<u>2023</u> US\$
Interest income	4	82,297,468	83,328,896
Other gains and losses, net	5	715,989	601,952
Administrative expenses		(289,570)	(743,843)
Finance costs	6	(62,337,858)	(64,992,054)
Profit before tax		20,386,029	18,194,951
Income tax expense	7	(8,172,711)	(8,231,044)
Profit and total comprehensive income for the year	8	12,213,318	9,963,907

HONGKONG XIANGYU INVESTMENT CO., LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	<u>Notes</u>	<u>2024</u> US\$	<u>2023</u> US\$
Current assets			
Other receivables	9	-	20,062
Amounts due from fellow subsidiaries	16	986,790,643	984,050,139
Financial assets at fair value through profit or loss ("FVTPL")	11	273,490	245,205
Tax recoverable		1,841,244	-
Restricted bank balances	10(ii)	16,936,248	16,936,248
Cash and cash equivalents	10(i)	5,306,216	3,433,519
		<u>1,011,147,841</u>	<u>1,004,685,173</u>
Current liabilities			
Other payables		12,483	19,192
Amount due to ultimate and immediate holding company	16	38,507,169	41,905,597
Tax liabilities		-	1,998,973
Other borrowings	12	1,129,212	1,304,511
Guaranteed notes	13	495,225,544	6,982,500
		<u>534,874,408</u>	<u>52,210,773</u>
Net current assets		<u>476,273,433</u>	<u>952,474,400</u>
Non-current liabilities			
Other borrowings	12	390,571,106	392,962,216
Guaranteed notes	13	-	486,023,175
		<u>390,571,106</u>	<u>878,985,391</u>
Net assets		<u>85,702,327</u>	<u>73,489,009</u>
Capital and reserves			
Share capital	14	9,991,510	9,991,510
Retained earnings		75,710,817	63,497,499
Total equity		<u>85,702,327</u>	<u>73,489,009</u>

The financial statements on pages 4 to 30 were approved and authorised for issue by the Board of Directors on 26 May 2025 and are signed on its behalf by


WANG JIAN LI
DIRECTOR


WU HUI RONG
DIRECTOR

HONGKONG XIANGYU INVESTMENT CO., LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital US\$	Retained earnings US\$	Total US\$
At 1 January 2023	9,991,510	53,533,592	63,525,102
Profit and total comprehensive income for the year	-	9,963,907	9,963,907
At 31 December 2023	9,991,510	63,497,499	73,489,009
Profit and total comprehensive income for the year	-	12,213,318	12,213,318
At 31 December 2024	9,991,510	75,710,817	85,702,327

HONGKONG XIANGYU INVESTMENT CO., LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>2024</u> US\$	<u>2023</u> US\$
OPERATING ACTIVITIES		
Profit before tax	20,386,029	18,194,951
Adjustments for:		
Finance costs	62,337,858	64,992,054
Interest income	(592,127)	(1,018,456)
Interest income from amounts due from fellow subsidiaries	(81,705,341)	(82,310,440)
Fair value (gain) loss on financial assets at FVTPL	(32,699)	76,546
Unrealised exchange gain	(632,275)	(672,898)
Operating cash flows before movements in working capital	(238,555)	(738,243)
Decrease in other receivables	20,062	17,438
Decrease in other payables	(6,813)	(3,905)
Cash generated from operations	(225,306)	(724,710)
Income tax received	386	3,059,121
Income tax paid	(12,013,315)	(8,907,095)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(12,238,235)</u>	<u>(6,572,684)</u>
INVESTING ACTIVITIES		
Interest received	73,997,359	98,601,009
Repayment of loans to ultimate and immediate holding company and fellow subsidiaries	6,658,552	290,000,000
Loans to ultimate and immediate holding company and fellow subsidiaries	(3,500,000)	(3,027,041)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>77,155,911</u>	<u>385,573,968</u>
FINANCING ACTIVITIES		
Placement of restricted bank deposits	-	(16,936,248)
Interest and bank charges paid for other borrowings and guaranteed notes	(60,243,038)	(68,489,451)
Repayments of guaranteed notes	-	(477,000,000)
Issuance of guaranteed notes	-	184,667,000
Advance to ultimate and immediate holding company	(2,722,308)	(2,153,276)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	<u>(62,965,346)</u>	<u>(379,911,975)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,952,330	(910,691)
CASH AND CASH EQUIVALENTS AT THE BEGINNING BEGINNING OF THE YEAR	3,433,519	4,559,462
Effect of foreign exchange rates changes	(79,633)	(215,252)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR, represented by bank balances and cash	<u>5,306,216</u>	<u>3,433,519</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

HONGKONG XIANGYU INVESTMENT CO., LIMITED (the "Company") is a private limited company incorporated in Hong Kong. Its ultimate and immediate holding company is XMXYG Corporation, a state-owned company established in the People's Republic of China (the "PRC"). The address of the registered office and principal place of business of the Company is Room 4510, 45/F, China Resources Building, 26 Harbour Road, Wai Chai, Hong Kong.

The Company is engaged in overseas investment and financing platform focusing on raising funds and providing financial support for the XMXYG Corporation's overseas projects.

The financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") are solely for inclusion in the offering circular of the Company in connection with the proposed issuance of guaranteed notes. As a result, the financial statements may not be suitable for another purpose. The figures and financial information relating to the years ended 31 December 2023 and 2024 included in these financial statements are not the Company's statutory annual financial statements for those years. Further information relating to those statutory financial statements prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and in compliance with the Companies Ordinance (the "HKCO") required to be disclosed in accordance with section 436 of the HKCO is as follows:

The Company has delivered the financial statements for both years to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the HKCO.

The Company's auditor at that time had reported on each of those sets of financial statements. The auditor's reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the HKCO.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Application of New and Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Company has applied the following amendments to IFRS Accounting Standards as issued by the IASB for the first time, which are mandatorily effective for the Company's annual periods beginning on or after 1 January 2024 for the preparation of the financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

HONGKONG XIANGYU INVESTMENT CO., LIMITED

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS - continued

Application of New and Amendments to IFRS Accounting Standards that are mandatorily effective for the current year - continued

The application of the amendments in the current year had no material impact on the financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Company has not early applied the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11 ³
Amendments to IAS 21	Lack of Exchangeability ²
IFRS 18	Presentation and Disclosure in Financial Statements ⁴
IFRS 19	Subsidiaries without Public Accountability: Disclosure ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the financial statements in the foreseeable future.

IFRS 18 "Presentation and Disclosure in Financial Statements" ("IFRS 18")

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements" ("IAS 1"). This new IFRS, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and IFRS 7 "Financial Instruments: Disclosures". Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Company is in the process of assessing the detailed impact of IFRS 18 on the financial statements.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS - continued

The directors of the Company have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Its ultimate and immediate holding company, XMXYG Corporation, has agreed to support the Company financially and operationally to maintain its operations and meet in full its financial obligations. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the material accounting policies set out below.

3.2 Material accounting policy information

Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the functional currency of the Company (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 *Material accounting policy information* - continued

Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries, bonus and commissions) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 *Material accounting policy information* - continued

Taxation - continued

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

Cash and cash equivalents

Bank balances and cash presented on the statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 *Material accounting policy information* - continued

Financial instruments - continued

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment

The Company performs impairment assessment under expected credit loss ("ECL") model on financial assets (including other receivables, amounts due from fellow subsidiaries, restricted bank balances and cash and cash equivalents) which are subject to impairment. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 *Material accounting policy information* - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment - continued

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 *Material accounting policy information* - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment - continued

(i) *Significant increase in credit risk* - continued

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a. significant financial difficulty of the issuer or the borrower;
- b. a breach of contract, such as a default or past due event;
- c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 *Material accounting policy information* - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment - continued

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Company uses a practical expedient in estimating ECL on other receivables using a provision matrix taking into consideration historical credit loss experience, and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 *Material accounting policy information* - continued

Financial instruments - continued

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including other payables, amount due to ultimate and immediate holding company, other borrowings and guaranteed notes) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

4. INTEREST INCOME

	<u>2024</u> US\$	<u>2023</u> US\$
Bank interest income	592,127	1,018,456
Interest income from amounts due from fellow subsidiaries (note 16)	81,705,341	82,310,440
	<u>82,297,468</u>	<u>83,328,896</u>

5. OTHER GAINS AND LOSSES, NET

	<u>2024</u> US\$	<u>2023</u> US\$
Net gains on foreign exchange	683,290	678,498
Fair value gains (losses) on financial assets at FVTPL	32,699	(76,546)
	<u>715,989</u>	<u>601,952</u>

6. FINANCE COSTS

	<u>2024</u> US\$	<u>2023</u> US\$
Interest expense on other borrowings	32,186,643	33,352,530
Interest expense on guaranteed notes	30,149,870	31,613,776
Bank charges	1,345	25,748
	<u>62,337,858</u>	<u>64,992,054</u>

7. INCOME TAX EXPENSE

	<u>2024</u> US\$	<u>2023</u> US\$
Withholding tax charged on interest income in Indonesia	8,172,711	8,231,044

HONGKONG XIANGYU INVESTMENT CO., LIMITED

7. INCOME TAX EXPENSE - continued

The income tax on the Company's profit before tax differs from the theoretical amount, that would arise using the tax rate applicable to profits of the Company as follows:

	<u>2024</u> US\$	<u>2023</u> US\$
Profit before income tax	20,386,029	18,194,951
Tax calculated at Hong Kong Profits Tax rate of 16.5%	3,363,695	3,002,167
Tax effect of expenses not deductible for tax purposes	8,425	12,630
Tax effect of income not taxable for tax purpose	(210,444)	(181,334)
Credit for taxes paid outside of Hong Kong	(3,161,676)	(2,833,463)
Withholding tax charged on interest income in Indonesia	8,172,711	8,231,044
Income tax expense	<u>8,172,711</u>	<u>8,231,044</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

The Company is subject to withholding tax on interest income of 10% in Indonesia. Pursuant to the Agreement between Indonesia and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, tax credit in respect of the withholding tax paid in Indonesia was granted to the Company to the extent of 10% on the relevant interest income.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	<u>2024</u> US\$	<u>2023</u> US\$
Directors' remuneration	(9,877)	23,014
Auditors' remuneration	7,684	10,832
Legal and professional fees	<u>93,699</u>	<u>446,531</u>

9. OTHER RECEIVABLES

	<u>2024</u> US\$	<u>2023</u> US\$
Other receivables	<u>-</u>	<u>20,062</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

10. CASH AND CASH EQUIVALENTS/ RESTRICTED BANK BALANCES

(i) Cash and cash equivalents

The cash and cash equivalents represented deposits held at the banks and deposits with short-term maturity of three months or less.

(ii) Restricted bank balances

The deposit is restricted to interest payables for other borrowings and are therefore not available for general use by the Company.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2024</u> US\$	<u>2023</u> US\$
Equity investments, listed	<u>273,490</u>	<u>245,205</u>

As at 31 December 2024 and 2023, equity investments classified as financial assets at FVTPL represented the Company's equity investments in certain company listed on Shanghai Stock Exchange, which are quoted on an active market. Changes in the fair values of equity investments were fair value gain of US\$32,699 (2023: fair value loss of US\$76,546) and were recognised in "other gains and losses" in the statement of profit or loss and other comprehensive income for the year ended 31 December 2024. The fair values of all equity securities are based on their quoted prices as at 31 December 2024 and 2023 in the stock exchange.

12. OTHER BORROWINGS

	<u>2024</u> US\$	<u>2023</u> US\$
Renminbi ("RMB") denominated other borrowing	160,222,468	162,613,578
US\$ denominated other borrowing	230,348,638	230,348,638
Interest payable	<u>1,129,212</u>	<u>1,304,511</u>
	<u>391,700,318</u>	<u>394,266,727</u>
Less: amount due within one year shown under current liabilities	<u>1,129,212</u>	<u>1,304,511</u>
Amount shown under non-current liabilities	<u>390,571,106</u>	<u>392,962,216</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

12. OTHER BORROWINGS - continued

On 23 August 2022, the Company entered into a loan agreement with independent third parties for securing term loan facilities of RMB1,250,000,000 ("RMB denominated other borrowing") and US\$250,000,000 ("US\$ denominated other borrowing"). Interests on other borrowings are payable half yearly in arrears. Interest rates are as follows:

RMB denominated other borrowing: the higher of 6.6%, Loan Prime Rate ("LPR") + adjustment on basis points as set out in loan agreement
US\$ denominated other borrowing: the higher of 6% or 6-month London Interbank Offered Rate ("LIBOR")+420 basis points

	<u>2024</u> US\$	<u>2023</u> US\$
The carrying amounts of the other borrowings are repayable:		
Within one year	1,129,212	1,304,511
Within a period of more than one year but not exceeding two years	-	-
Within a period of more than two years but not exceeding five years	-	-
Within a period of more than five years	390,571,106	392,962,216
	<u>391,700,318</u>	<u>394,266,727</u>

The other borrowings are repayable by 5 equal semi-annual installments commencing from 66th month of drawdown date with remaining balance due in the 96th month from drawdown date.

The other borrowings are guaranteed by the ultimate and immediate holding company.

13. GUARANTEED NOTES

	<u>2024</u> US\$	<u>2023</u> US\$
US\$ denominated guaranteed notes	488,243,044	486,023,175
Interest payable	6,982,500	6,982,500
	<u>495,225,544</u>	<u>493,005,675</u>
Less: amount due within one year shown under current liabilities	<u>6,982,500</u>	<u>6,982,500</u>
Amount shown under non-current liabilities	<u>488,243,044</u>	<u>486,023,175</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

13. GUARANTEED NOTES - continued

	<u>2024</u> US\$	<u>2023</u> US\$
The carrying amounts of the guaranteed notes are repayable:		
Within one year	495,225,544	6,982,500
Within a period of more than one year but not exceeding two years	-	486,023,175
	<u>495,225,544</u>	<u>493,005,675</u>

On 23 September 2022, the Company issued guaranteed notes with principal amount of US\$300,000,000 (the "Notes") to independent investors. The interests on the Notes are accrued at a fixed interest rate of 5.7% per annum payable half yearly in arrear and matured on 23 September 2025. The Notes are guaranteed by the ultimate and immediate holding company.

On 17 January 2023, the Company issued temporary guaranteed notes with principal amount of US\$190,000,000 (the "Additional Notes") to independent investors. They were consolidated and formed as a single series with the Notes. The interests on the Additional Notes are accrued at a fixed interest rate of 5.7% per annum payable half yearly in arrear and matured on 23 September 2025. The Additional Notes are guaranteed by the ultimate and immediate holding company.

14. SHARE CAPITAL

Ordinary shares, issued and fully paid:

	<u>Number of shares</u>	<u>US\$</u>
As at 1 January 2023, 31 December 2023 and 31 December 2024	<u>75,959,162</u>	<u>9,991,510</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS

(i) Categories of financial instruments

	<u>2024</u> US\$	<u>2023</u> US\$
Financial assets		
Financial assets at amortised cost		
Other receivables	-	20,062
Restricted bank balances	16,936,248	16,936,248
Cash and cash equivalents	5,306,216	3,433,519
Amounts due from fellow subsidiaries	986,790,643	984,050,139
	<u>1,009,033,107</u>	<u>1,004,439,968</u>
Financial assets at FVTPL	<u>273,490</u>	<u>245,205</u>
	<u>1,009,306,597</u>	<u>1,004,685,173</u>
Financial liabilities		
Financial liabilities at amortised cost		
Other payables	12,483	19,192
Other borrowings	391,700,318	394,266,727
Guaranteed notes	495,225,544	493,005,675
Amount due to ultimate and immediate holding company	38,507,169	41,905,597
	<u>925,445,514</u>	<u>929,197,191</u>

(ii) Financial risk management objectives and policies

The Company's major financial instruments include other receivables, amounts due from fellow subsidiaries, financial assets at FVTPL, restricted bank balances, cash and cash equivalents, other payables, amount due to ultimate and immediate holding company, other borrowings and guaranteed notes. Details of the financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk and interest rate), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS - continued

Financial risk factors - continued

(a) **Market risk**

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk, and the functional currency of the Company is US\$. Foreign exchange risk arises mainly from certain intercompany balances due to ultimate and immediate holding company and due from fellow subsidiaries, cash and cash equivalents, other payable and other borrowings, which are denominated in Hong Kong Dollar ("HK\$"), Renminbi and other currencies that are not the functional currency of the Company. The Company currently does not have a foreign exchange hedging policy. However, the Company will monitor its foreign currency exposure closely and will consider hedging significant currency exposure should the need arise.

As HK\$ is pegged to US\$, the directors consider that the exchange rate fluctuation is not significant. Accordingly, no sensitivity analysis is presented.

Therefore, the Company is primarily exposed to the RMB against US\$.

At 31 December 2024, if RMB had weakened/strengthened by 10% against the US\$ with all other variables held constant, post-tax profit for the year would have been US\$3,212,010 (2023: US\$3,515,812) higher/lower mainly as a result of foreign exchange gains/losses on translation of RMB denominated amount due to ultimate and immediate holding company, amounts due from fellow subsidiaries, cash and cash equivalents, other payables and other borrowings.

(ii) Cash flow and fair value interest rate risk

Except for cash and cash equivalents (note 10), amounts due from fellow subsidiaries, other borrowings (note 12) and guaranteed notes (note 13), the Company has no other significant interest-bearing assets and liabilities. The Company's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets and liabilities resulted from the changes in interest rates because the interest rates of cash and cash equivalents, amounts due from fellow subsidiaries, other borrowings and guaranteed notes are not expected to change significantly. The Company has not used any financial instruments to hedge its exposure to cash flow and fair value interest rate risk.

If interest rates had been 10% higher/lower and all other variables were held constant, the Company's post-tax profit for the year ended 31 December 2024 would decrease/increase by US\$ 3,994,850 (2023: US\$ 3,994,850). This is mainly attributable to the Company's exposure to interest rates on its variable-rate bank and other borrowings.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS - continued

Financial risk factors - continued

(b) Credit risk

The Company is exposed to credit risk in relation to its cash and cash equivalents, other receivables and amounts due from fellow subsidiaries. The carrying amounts of these balances represent the Company's maximum exposure to credit risk in relation to financial assets.

(i) Credit risk of cash and cash equivalents and restricted bank balances

To manage this risk arising from cash and cash equivalents and restricted bank balances, they are mainly placed with banks with high credit rating. There has been no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

(ii) Credit risk of other receivables

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It also considers available reasonable and supportive forwarding-looking information.

(iii) Amounts due from fellow subsidiaries

The Company is exposed to the concentration of credit risk on the amounts due from fellow subsidiaries. The directors of the Company regularly monitor the financial strengths of the fellow subsidiaries and make periodic individual assessment on the recoverability of the balances based on the fellow subsidiaries' ability to repay upon the amounts are due. The directors of the Company consider the credit risk arising from default of fellow subsidiaries is limited because they are subsidiaries of XMXYG Corporation which XMXYG Corporation has the power to control the fund transfer of the fellow subsidiaries and thus, there is no significant increase in credit risk of these amounts since initial recognition and consider that the credit risk from this financial asset is significantly reduced. At the end of the reporting period, the Company assessed the ECL for amounts due from fellow subsidiaries were insignificant and thus no loss allowance was recognised.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS - continued

Financial risk factors - continued

(c) Liquidity risk

In the liquidity risk management policy, the Company monitors and maintains a level of cash and cash equivalents which is deemed adequate to finance the Company's operational activities and to mitigate the effect of fluctuation in cash flows. The directors of the Company regularly monitors the projected and actual cash flows, including the Company's loan maturity profiles and continuously assess the condition of the financial markets for opportunities to pursue fund raising. The Company relies on advances from its ultimate and immediate holding company and raise funds through other borrowings and guaranteed funds with the guarantee of the ultimate and immediate holding company as significant source of liquidity. The ultimate and immediate holding company has agreed to support the Company financially and operationally to maintain its operations and meet in full its financial obligations. The directors of the Company consider that the Company will continue as a going concern.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Weighted average interest rate %	On demand or less than 1 year US\$	1 - 2 years US\$	2 - 5 years US\$	>5 years US\$	Total undiscounted cash flows US\$	Carrying amount US\$
As of 31 December 2024							
Guaranteed notes	5.70	517,930,000	-	-	-	517,930,000	495,225,544
Other borrowings and interest payable	8.24	29,643,611	29,643,611	88,930,833	420,214,717	568,432,772	391,700,318
Amount due to ultimate and immediate holding company	-	38,507,169	-	-	-	38,507,169	38,507,169
Other payables	-	12,483	-	-	-	12,483	12,483
Total		586,093,263	29,643,611	88,930,833	420,214,717	1,124,882,424	925,445,514
As of 31 December 2023							
Guaranteed notes	5.70	27,930,000	517,930,000	-	-	545,860,000	493,005,675
Other borrowings and interest payable	8.49	33,954,114	33,861,343	101,676,800	459,389,445	628,881,702	394,266,727
Amount due to ultimate and immediate holding company	-	41,905,597	-	-	-	41,905,597	41,905,597
Other payables	-	19,192	-	-	-	19,192	19,192
Total		103,808,903	551,791,343	101,676,800	459,389,445	1,216,666,491	929,197,191

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS - continued

Capital management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

The Company monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, guaranteed notes and amount due to ultimate and immediate holding company less cash and cash equivalents and restricted bank balances. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

The net gearing ratios as at 31 December 2024 and 2023 were as follows:

	2024 US\$	2023 US\$
Other borrowings (note 12)	391,700,318	394,266,727
Guaranteed notes (note 13)	495,225,544	493,005,675
Amount due to ultimate and immediate holding company (note 16)	38,507,169	41,905,597
Less: Cash and cash equivalents (note 10)	(5,306,216)	(3,433,519)
Restricted bank balances (note 10)	(16,936,248)	(16,936,248)
Net debt	903,190,567	908,808,232
Total equity	85,702,327	73,489,009
Total capital	988,892,894	982,297,241
Net gearing ratio	91%	93%

Fair value estimation

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Company's assets that were measured at fair value at 31 December 2024.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS - continued

Fair value estimation - continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	US\$	US\$	US\$	US\$
Financial assets				
Financial assets at FVTPL				
-Equity investments (note 11)	<u>273,490</u>	<u>-</u>	<u>-</u>	<u>273,490</u>

The following table presents the Company's assets that were measured at fair value at 31 December 2023.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	US\$	US\$	US\$	US\$
Financial assets				
Financial assets at FVTPL				
-Equity investments (note 11)	<u>245,205</u>	<u>-</u>	<u>-</u>	<u>245,205</u>

There were no transfers between level 1 and 2 for recurring fair value measurements during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Financial assets at FVTPL are traded in active markets (such as publicly traded securities) and the fair value of financial instruments is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

16. RELATED PARTY TRANSACTIONS

The Company is controlled by the following entity:

<u>Name</u>	<u>Relationship</u>	<u>Place of establishment</u>	<u>Ownership interest</u>	
			<u>2024</u>	<u>2023</u>
			%	%
XMXYG Corporation	Ultimate and immediate holding company	PRC	100	100

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

16. RELATED PARTY TRANSACTIONS - continued

Apart from those disclosed elsewhere in these financial statements, the Company had the following significant related party transactions:

(a) Transactions with related parties

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Rental expenses		
-Fellow subsidiaries	<u>198,065</u>	<u>263,468</u>
Interest income		
-Fellow subsidiaries	<u>81,705,341</u>	<u>82,310,440</u>

The above transactions were conducted according to the agreed terms between relevant related parties and the Company and in the ordinary course of business.

(b) Balances with related parties

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Amounts due from fellow subsidiaries		
-RMB denominated, interest-free	89,580	90,916
-RMB denominated, interest-bearing	154,567,186	156,906,322
-USD denominated, interest-free	6,960,154	9,112,479
-USD denominated, interest-bearing	825,615,740	817,340,271
-HKD denominated, interest-free	1,560	1,089,104
-JPY denominated, interest-free	(443,577)	(488,953)
	<u>986,790,643</u>	<u>984,050,139</u>

Included in the amounts due from fellow subsidiaries, balance of approximately US\$980,183,000 and US\$974,247,000 as at 31 December 2024 and 2023, respectively, are secured by certain fixed assets of a fellow subsidiary, interest bearing at a range of 7.33% to 10.4% per annum, and repayable on demand. The Company has the unconditional right to demand the loan principal with 30 working days notice in advance to the fellow subsidiary. The remaining balance is unsecured, interest-free and repayable on demand.

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Amount due to ultimate and immediate holding company		
-RMB denominated, interest-free	<u>38,507,169</u>	<u>41,905,597</u>

The amount due to ultimate and immediate holding company is unsecured, interest-free and repayable on demand.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

16. RELATED PARTY TRANSACTIONS - continued

- (c) Guarantees provided by related parties to the Company's application of other borrowings and guaranteed notes:

	<u>2024</u> US\$	<u>2023</u> US\$
XMXYG Corporation	886,925,862	887,272,402

- (d) Directors' material interests in transactions, arrangements or contracts

Except for the transactions with related parties above, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the statement of cash flow as cash flows from financing activities.

	<u>Other</u> <u>borrowings</u> US\$'	<u>Guaranteed</u> <u>notes</u> US\$'	<u>Total</u> US\$'
At 1 January 2023	396,877,143	788,957,898	1,185,835,041
Financing cash flows	(33,230,703)	(327,566,000)	(360,796,703)
<i>Non-cash changes</i>			
Finance costs	33,352,530	31,613,777	64,966,307
Exchange adjustments	(2,732,243)	-	(2,732,243)
At 31 December 2023	394,266,727	493,005,675	887,272,402
Financing cash flows	(32,313,037)	(27,930,001)	(60,243,038)
<i>Non-cash changes</i>			
Finance costs	32,186,643	30,149,870	62,336,513
Exchange adjustments	(2,440,015)	-	(2,440,015)
At 31 December 2024	391,700,318	495,225,544	886,925,862

HONGKONG XIANGYU INVESTMENT CO., LIMITED
香港象嶼投資有限公司
(incorporated in Hong Kong with limited liability)

Report and Financial Statements
For the year ended 31 December 2023

HONGKONG XIANGYU INVESTMENT CO., LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT**TO THE BOARD OF DIRECTORS OF HONGKONG XIANGYU INVESTMENT CO., LIMITED****香港象嶼投資有限公司****(incorporated in Hong Kong with limited liability)****Opinion**

We have audited the financial statements of HONGKONG XIANGYU INVESTMENT CO., LIMITED (the "Company") set out on pages 4 to 30, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters*Restriction on Use*

The financial statements are prepared solely for inclusion in the offering circular of the Company in connection with the proposed issuance of guaranteed notes. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Company's inclusion in the offering circular of the Company in connection with the proposed issuance of guaranteed notes. For the avoidance of doubt, all duties and liabilities (including, without limitation, those arising from negligence or otherwise) to any third party are specifically disclaimed. Accordingly, any other person who relies on this report does so entirely at their own risk. As explained in our engagement letter governing this engagement, the Contracts (Rights of Third Parties) Ordinance does not apply, and only the signing parties to the engagement letter contract have any rights under it.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HONGKONG XIANGYU INVESTMENT CO.,

LIMITED - continued

香港象嶼投資有限公司

(incorporated in Hong Kong with limited liability)

Other Matters - continued

Statutory annual financial statements of the Company

The Company has prepared separate sets of financial statements for each of the years ended 31 December 2022 and 2023 in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and in compliance with the Hong Kong Companies Ordinance on which were audited by another auditors who issued separate auditor's reports to the member of the Company and expressed an unmodified opinion on corresponding sets of statements on 18 March 2023 and 19 April 2024, respectively.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORTTO THE BOARD OF DIRECTORS OF HONGKONG XIANGYU INVESTMENT CO.,LIMITED - continued

香港象嶼投資有限公司

(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements - continued

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 May 2025

WorldClass**智启非凡**

HONGKONG XIANGYU INVESTMENT CO., LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u> US\$	<u>2022</u> US\$
Interest income	4	83,328,896	46,296,663
Other gains and losses, net	5	601,952	3,819,661
Administrative expenses		(743,843)	(1,018,566)
Finance costs	6	(64,992,054)	(29,418,372)
Profit before tax		18,194,951	19,679,386
Income tax expense	7	(8,231,044)	(4,624,083)
Profit and total comprehensive income for the year	8	<u>9,963,907</u>	<u>15,055,303</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 US\$	2022 US\$
Current assets			
Other receivables	9	20,062	37,500
Amounts due from fellow subsidiaries	16	984,050,139	998,987,628
Amount due from ultimate and immediate holding company	16	-	290,000,000
Financial assets at fair value through profit or loss ("FVTPL")	11	245,205	328,162
Tax recoverable		-	2,399,237
Restricted bank balances	10(ii)	16,936,248	-
Cash and cash equivalents	10(i)	3,433,519	4,559,462
		<u>1,004,685,173</u>	<u>1,296,311,989</u>
Current liabilities			
Other payables		19,192	23,176
Amount due to ultimate and immediate holding company	16	41,905,597	44,913,530
Tax liabilities		1,998,973	2,015,140
Other borrowings	12	1,304,511	1,157,459
Guaranteed notes	13	6,982,500	490,090,797
		<u>52,210,773</u>	<u>538,200,102</u>
Net current assets		<u>952,474,400</u>	<u>758,111,887</u>
Non-current liabilities			
Other borrowings	12	392,962,216	395,719,684
Guaranteed notes	13	486,023,175	298,867,101
		<u>878,985,391</u>	<u>694,586,785</u>
Net assets		<u>73,489,009</u>	<u>63,525,102</u>
Capital and reserves			
Share capital	14	9,991,510	9,991,510
Retained earnings		63,497,499	53,533,592
Total equity		<u>73,489,009</u>	<u>63,525,102</u>

The financial statements on pages 4 to 30 were approved and authorised for issue by the Board of Directors on 26 May 2025 and are signed on its behalf by


WANG JIAN LI
DIRECTOR


WU HUI RONG
DIRECTOR

HONGKONG XIANGYU INVESTMENT CO., LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US\$	Retained earnings US\$	Total US\$
At 31 January 2022 (unaudited)	9,991,510	38,478,289	48,469,799
Profit and total comprehensive income for the year	-	15,055,303	15,055,303
At 31 December 2022	9,991,510	53,533,592	63,525,102
Profit and total comprehensive income for the year	-	9,963,907	9,963,907
At 31 December 2023	9,991,510	63,497,499	73,489,009

HONGKONG XIANGYU INVESTMENT CO., LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<u>2023</u> US\$	<u>2022</u> US\$
OPERATING ACTIVITIES		
Profit before tax	18,194,951	19,679,386
Adjustments for:		
Finance costs	64,992,054	29,418,372
Interest income	(1,018,456)	(151,917)
Interest income from amounts due from fellow subsidiaries	(82,310,440)	(46,144,746)
Fair value loss on financial assets at FVTPL	76,546	50,677
Unrealised exchange gain	(672,898)	(3,605,917)
Operating cash flows before movements in working capital	(738,243)	(754,145)
Decrease in other receivables	17,438	10,000
(Decrease) increase in other payables	(3,905)	308
Cash generated from (used in) operations	(724,710)	(743,837)
Income tax received	3,059,121	-
Income tax paid	(8,907,095)	(6,862,883)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(6,572,684)</u>	<u>(7,606,720)</u>
INVESTING ACTIVITIES		
Repayment of loans to ultimate and immediate holding company and fellow subsidiaries	290,000,000	8,011,271
Interest received	98,601,009	27,105,955
Loans to ultimate and immediate holding company and fellow subsidiaries	(3,027,041)	(689,455,904)
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	<u>385,573,968</u>	<u>(654,338,678)</u>
FINANCING ACTIVITIES		
Issuance of guaranteed notes	184,667,000	300,000,000
Repayments of guaranteed notes	(477,000,000)	(19,990,000)
Interest and bank charges paid for other borrowings and guaranteed notes	(68,489,451)	(23,923,713)
Placement of restricted bank deposits	(16,936,248)	-
Other borrowings raised	-	395,376,104
Advance to ultimate and immediate holding company	(2,153,276)	-
NET CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES	<u>(379,911,975)</u>	<u>651,462,391</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(910,691)	(10,483,007)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,559,462	15,606,081
Effect of foreign exchange rates changes	(215,252)	(563,612)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR, REPRESENTED BY BANK BALANCES AND CASH	<u>3,433,519</u>	<u>4,559,462</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

HONGKONG XIANGYU INVESTMENT CO., LIMITED (the "Company") is a private limited company incorporated in Hong Kong. Its ultimate and immediate holding company is XMXYG Corporation, a state-owned company established in the People's Republic of China (the "PRC"). The address of the registered office and principal place of business of the Company is Room 4510, 45/F, China Resources Building, 26 Harbour Road, Wai Chai, Hong Kong.

The Company is engaged in overseas investment and financing platform focusing on raising funds and providing financial support for the XMXYG Corporation's overseas projects.

The financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") are solely for inclusion in the offering circular of the Company in connection with the proposed issuance of guaranteed notes. As a result, the financial statements may not be suitable for another purpose. The figures and financial information relating to the years ended 31 December 2022 and 2023 included in these financial statements are not the Company's statutory annual financial statements for those years. Further information relating to those statutory financial statements prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and in compliance with the Companies Ordinance (the "HKCO") required to be disclosed in accordance with section 436 of the HKCO is as follows:

The Company has delivered the financial statements for both years to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the HKCO.

The Company's auditor at that time had reported on each of those sets of financial statements. The auditor's reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the HKCO.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Application of New and Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Company has applied the following new and amendments to IFRS Accounting Standards as issued by the IASB for the first time, which are mandatorily effective for the Company's annual periods beginning on or after 1 January 2023 for the preparation of the financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

HONGKONG XIANGYU INVESTMENT CO., LIMITED

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS - continued

Application of New and Amendments to IFRS Accounting Standards that are mandatorily effective for the current year - continued

The application of the amendments in the current year had no material impact on the financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Company has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ⁴
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ⁴
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ²
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11 ⁴
Amendments to IAS 21	Lack of Exchangeability ⁴
IFRS 18	Presentation and Disclosure in Financial Statements ⁵
IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after January 1, 2024

³ Effective for annual periods beginning on or after January 1, 2025

⁴ Effective for annual periods beginning on or after January 1, 2026

⁵ Effective for annual periods beginning on or after January 1, 2027

Except for the new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the financial statements in the foreseeable future.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS – continued

Application of New and Amendments to IFRS Accounting Standards that are mandatorily effective for the current year - continued

New and amendments to IFRS Accounting Standards in issue but not yet effective - continued

IFRS 18 "Presentation and Disclosure in Financial Statements" ("IFRS 18")

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements" ("IAS 1"). This new IFRS, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and IFRS 7 "Financial Instruments: Disclosures". Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Company is in the process of assessing the detailed impact of IFRS 18 on the financial statements.

The directors of the Company have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Its ultimate and immediate holding company, XMXYG Corporation, has agreed to support the Company financially and operationally to maintain its operations and meet in full its financial obligations. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the material accounting policies set out below.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information

Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the functional currency of the Company (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries, bonus and commissions) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Taxation - continued

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

Cash and cash equivalents

Bank balances and cash presented on the statement of financial position include cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment

The Company performs impairment assessment under expected credit loss ("ECL") model on financial assets (including other receivables, amounts due from ultimate and immediate holding company/ fellow subsidiaries, restricted bank balances and cash and cash equivalents) which are subject to impairment. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment - continued

(i) Significant increase in credit risk - continued

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a. significant financial difficulty of the issuer or the borrower;
- b. a breach of contract, such as a default or past due event;
- c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment - continued

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Company uses a practical expedient in estimating ECL on other receivables using a provision matrix taking into consideration historical credit loss experience, and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including other payables, amount due to ultimate and immediate holding company, other borrowings and guaranteed notes) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

4. INTEREST INCOME

	<u>2023</u> US\$	<u>2022</u> US\$
Bank interest income	1,018,456	151,917
Interest income from amounts due from fellow subsidiaries (note 16)	<u>82,310,440</u>	<u>46,144,746</u>
	<u>83,328,896</u>	<u>46,296,663</u>

5. OTHER GAINS AND LOSSES, NET

	<u>2023</u> US\$	<u>2022</u> US\$
Net gain on foreign exchange	678,498	3,870,338
Fair value loss on financial assets at FVTPL	<u>(76,546)</u>	<u>(50,677)</u>
	<u>601,952</u>	<u>3,819,661</u>

6. FINANCE COSTS

	<u>2023</u> US\$	<u>2022</u> US\$
Interest expense on other borrowings	33,352,530	1,157,459
Interest expense on guaranteed notes	31,613,776	28,144,926
Bank charges	25,748	37,847
Financing commission	-	78,140
	<u>64,992,054</u>	<u>29,418,372</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

7. INCOME TAX EXPENSE

	<u>2023</u> US\$	<u>2022</u> US\$
Hong Kong Profits Tax	-	9,608
Withholding tax charged on interest income in Indonesia	8,231,044	4,614,475
	<u>8,231,044</u>	<u>4,624,083</u>

The income tax on the Company's profit before tax differs from the theoretical amount, that would arise using the tax rate applicable to profits of the Company as follows:

	<u>2023</u> US\$	<u>2022</u> US\$
Profit before income tax	18,194,951	19,679,386
Tax calculated at Hong Kong Profits Tax rate of 16.5%	3,002,167	3,247,099
Tax effect of expenses not deductible for tax purposes	12,630	8,362
Tax effect of income not taxable for tax purpose	(181,334)	(663,439)
Credit for taxes paid outside of Hong Kong	(2,833,463)	(2,591,256)
Tax concession	-	(766)
Withholding tax charged on interest income in Indonesia	8,231,044	4,614,475
Tax under provided in prior year	-	9,608
Income tax expense	<u>8,231,044</u>	<u>4,624,083</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

The Company is subject to withholding tax on interest income of 10% in Indonesia. Pursuant to the Agreement between Indonesia and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, tax credit in respect of the withholding tax paid in Indonesia was granted to the Company to the extent of 10% on the relevant interest income.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	<u>2023</u> US\$	<u>2022</u> US\$
Directors' remuneration	23,014	23,062
Auditors' remuneration	10,832	18,703
Legal and professional fees	446,531	803,064

HONGKONG XIANGYU INVESTMENT CO., LIMITED

9. OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Other receivables	<u>20,062</u>	<u>37,500</u>

10. CASH AND CASH EQUIVALENTS/ RESTRICTED BANK BALANCES

(i) Cash and cash equivalents

The cash and cash equivalents represented deposits held at the banks and deposits with short-term maturity of three months or less.

(ii) Restricted bank balances

The deposit is restricted for settlement of interest payables for other borrowings and are therefore not available for general use by the Company.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Equity investments, listed	<u>245,205</u>	<u>328,162</u>

Equity investments classified as financial assets at FVTPL represented the Company's equity investments in certain company listed on Shanghai Stock Exchange, which are quoted on an active market. Changes in the fair values of equity investments were recognised in "other gains and losses" in the statements of profit or loss and other comprehensive income. The fair values of all equity securities are based on their quoted prices in the stock exchange at the end of the reporting period.

12. OTHER BORROWINGS

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Renminbi ("RMB") denominated other borrowing	162,613,578	165,371,046
US\$ denominated other borrowing	230,348,638	230,348,638
Interest payable	1,304,511	1,157,459
	<u>394,266,727</u>	<u>396,877,143</u>
Less: amount due within one year shown under current liabilities	<u>1,304,511</u>	<u>1,157,459</u>
Amount shown under non-current liabilities	<u>392,962,216</u>	<u>395,719,684</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

12. OTHER BORROWINGS - continued

On 23 August 2022, the Company entered into a loan agreement with independent third parties for term loan facilities of RMB1,250,000,000 ("RMB denominated other borrowing") and US\$250,000,000 ("US\$ denominated other borrowing"). Interests on other borrowings are payable half yearly in arrears. Interest rates are as follows:

RMB denominated other borrowing: the higher of 6.6%, Loan Prime Rate ("LPR") + adjustment on basis points as set out in loan agreement

US\$ denominated other borrowing: the higher of 6% or 6-month London Interbank Offered Rate ("LIBOR")+420 basis points

	<u>2023</u> US\$	<u>2022</u> US\$
The carrying amounts of the other borrowings are repayable:		
Within one year	1,304,511	1,157,459
Within a period of more than one year but not exceeding two years	-	-
Within a period of more than two years but not exceeding five years	-	-
Within a period of more than five years	392,962,216	395,719,684
	<u>394,266,727</u>	<u>396,877,143</u>

The other borrowings are repayable by 5 equal semi-annual installments commencing from 66th month of drawdown date with remaining balance due in the 96th month from drawdown date.

The other borrowings are guaranteed by the ultimate and immediate holding company.

13. GUARANTEED NOTES

	<u>2023</u> US\$	<u>2022</u> US\$
US\$ denominated guaranteed notes	486,023,175	775,739,148
Interest payable	6,982,500	13,218,750
	<u>493,005,675</u>	<u>788,957,898</u>
Less: amount due within one year shown under current liabilities	<u>6,982,500</u>	<u>490,090,797</u>
Amount shown under non-current liabilities	<u>486,023,175</u>	<u>298,867,101</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

13. GUARANTEED NOTES - continued

	<u>2023</u> US\$	<u>2022</u> US\$
The carrying amounts of the guaranteed notes are repayable:		
Within one year	6,982,500	490,090,797
Within a period of more than one year but not exceeding two years	486,023,175	-
Within a period of more than two years but not exceeding five years	-	298,867,101
	<u>493,005,675</u>	<u>788,957,898</u>

On 30 January 2018, the Company issued guaranteed notes with principal amount of US\$500,000,000 (the "GN 1") to independent investors. The interests on the GN 1 are accrued at a fixed interest rate of 4.5% per annum payable half yearly in arrear and matured on 30 January 2023. The GN 1 are guaranteed by the ultimate and immediate holding company.

On 23 September 2022, the Company issued guaranteed notes with principal amount of US\$300,000,000 (the "GN 2") to independent investors. The interests on the GN 2 are accrued at a fixed interest rate of 5.7% per annum payable half yearly in arrear and matured on 23 September 2025. The GN 2 are guaranteed by the ultimate and immediate holding company.

On 17 January 2023, the Company issued temporary guaranteed notes with principal amount of US\$190,000,000 (the "Additional Notes") to independent investors. They were consolidated and formed as a single series with the GN 2. The interests on the Additional Notes are accrued at a fixed interest rate of 5.7% per annum payable half yearly in arrear and matured on 23 September 2025. The Additional Notes are guaranteed by the ultimate and immediate holding company.

14. SHARE CAPITAL

Ordinary shares, issued and fully paid:

	<u>Number of shares</u>	<u>US\$</u>
As at 1 January 2022 (unaudited), 31 December 2022 and 31 December 2023	<u>75,959,162</u>	<u>9,991,510</u>

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Financial assets		
Financial assets at amortised cost		
Other receivables	20,062	37,500
Restricted bank balances	16,936,248	-
Cash and cash equivalents	3,433,519	4,559,462
Amounts due from fellow subsidiaries	984,050,139	998,987,628
Amount due from ultimate and immediate holding company	-	290,000,000
	<u>1,004,439,968</u>	<u>1,293,584,590</u>
Financial assets at FVTPL	245,205	328,162
	<u>1,004,685,173</u>	<u>1,293,912,752</u>
Financial liabilities		
Financial liabilities at amortised cost		
Other payables	19,192	23,176
Other borrowings	394,266,727	396,877,143
Guaranteed notes	493,005,675	788,957,898
Amount due to ultimate holding and immediate company	41,905,597	44,913,530
	<u>929,197,191</u>	<u>1,230,771,747</u>

(b) Financial risk management objectives and policies

The Company's major financial instruments include other receivables, amounts due from ultimate and immediate holding company/ fellow subsidiaries, financial assets at FVTPL, restricted bank balances, cash and cash equivalents, other payables, amount due to ultimate and immediate holding company, other borrowings and guaranteed notes. Details of the financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk and interest rate), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

15. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk, and the functional currency of the Company is US\$. Foreign exchange risk arises mainly from certain intercompany balances due to ultimate and immediate holding company and due from fellow subsidiaries, cash and cash equivalents, other payable and other borrowings, which are denominated in Hong Kong Dollar ("HK\$"), Renminbi and other currencies that are not the functional currency of the Company. The Company currently does not have a foreign exchange hedging policy. However, the Company will monitor its foreign currency exposure closely and will consider hedging significant currency exposure should the need arise.

As HK\$ is pegged to US\$, the directors consider that the exchange rate fluctuation is not significant. Accordingly, no sensitivity analysis is presented.

Therefore, the Company is primarily exposed to the RMB against US\$.

If RMB had weakened/strengthened by 10% against the US\$ with all other variables held constant, the post-tax profit for the year ended 31 December 2023 would increase/decrease by US\$3,515,812 (2022: US\$3,535,286), mainly as a result of foreign exchange gains/losses on translation of RMB denominated amount due to ultimate and immediate holding company, amounts due from fellow subsidiaries, cash and cash equivalents and other borrowings.

(ii) Cash flow and fair value interest rate risk

Except for cash and cash equivalents, amounts due from ultimate and immediate holding company/ fellow subsidiaries, other borrowings and guaranteed notes, the Company has no other significant interest-bearing assets and liabilities. The Company's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets and liabilities resulted from the changes in interest rates because the interest rates of cash and cash equivalents, amounts due from fellow subsidiaries, other borrowings and guaranteed notes are not expected to change significantly.

The Company has not used any financial instruments to hedge its exposure to cash flow and fair value interest rate risk.

If interest rates had been 10% higher/lower and all other variables were held constant, the Company's post-tax profit for the year ended 31 December 2023 would decrease/increase by US\$ 3,994,850 (2022: US\$ 4,477,194). This is mainly attributable to the Company's exposure to interest rates on its variable-rate bank and other borrowings.

15. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Credit risk

The Company is exposed to credit risk in relation to its cash and cash equivalents, other receivables and amounts due from ultimate and immediate holding company and fellow subsidiaries. The carrying amounts of these balances represent the Company's maximum exposure to credit risk in relation to financial assets.

(i) Credit risk of cash and cash equivalents and restricted bank balances

To manage this risk arising from cash and cash equivalents and restricted bank balances, they are mainly placed with banks with high credit rating. There has been no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It also considers available reasonable and supportive forwarding-looking information.

(ii) Amounts due from ultimate and immediate holding company/ fellow subsidiaries

The Company is exposed to the concentration of credit risk on the amounts due from ultimate and immediate holding company/ fellow subsidiaries. The directors of the Company regularly monitor the financial strengths of the ultimate and immediate holding company and fellow subsidiaries and make periodic individual assessment on the recoverability of the balances based on their ability to repay upon the amounts are due. The directors of the Company consider XMXYG, being the ultimate and immediate holding company, has the financial strength to repay the Company. The credit risk arising from default of fellow subsidiaries is limited because they are subsidiaries of XMXYG Corporation which XMXYG Corporation has the power to control the fund transfer of the fellow subsidiaries and thus, there is no significant increase in credit risk of these amounts since initial recognition and consider that the credit risk from this financial asset is significantly reduced. At the end of the reporting period, the Company assessed the ECL for amounts due from fellow subsidiaries were insignificant and thus no loss allowance was recognised.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Liquidity risk

In the liquidity risk management policy, the Company monitors and maintains a level of cash and cash equivalents which is deemed adequate to finance the Company's operational activities and to mitigate the effect of fluctuation in cash flows. The directors of the Company regularly monitors the projected and actual cash flows, including the Company's loan maturity profiles and continuously assess the condition of the financial markets for opportunities to pursue fund raising. The Company relies on advances from its ultimate and immediate holding company and raise funds through other borrowings and guaranteed funds with the guarantee of the ultimate and immediate holding company as significant source of liquidity. The ultimate and immediate holding company has agreed to support the Company financially and operationally to maintain its operations and meet in full its financial obligations. The directors of the Company consider that the Company will continue as a going concern.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Weighted average interest rate %	On demand or less than 1 year US\$	1 - 2 years US\$	2 - 5 years US\$	> 5 years US\$	Total undiscounted cash flows US\$	Carrying amount US\$
As of 31 December 2023							
Guaranteed notes	5.70	27,930,000	517,930,000	-	-	545,860,000	493,005,675
Other borrowings and interest payable	8.49	33,954,114	33,861,343	101,676,800	459,389,445	628,881,702	394,266,727
Amount due to ultimate and immediate holding company	-	41,905,597	-	-	-	41,905,597	41,905,597
Other payables	-	19,192	-	-	-	19,192	19,192
Total		103,808,903	551,791,343	101,676,800	459,389,445	1,216,666,491	929,197,191
As of 31 December 2022							
Guaranteed notes	4.80	504,832,500	17,100,000	317,100,000	-	839,032,500	788,957,898
Other borrowings and interest payable	8.07	32,988,397	32,958,818	98,845,398	493,331,651	658,124,264	396,877,143
Amount due to ultimate and immediate holding company	-	44,913,530	-	-	-	44,913,530	44,913,530
Other payables	-	23,176	-	-	-	23,176	23,176
Total		582,757,603	50,058,818	415,945,398	493,331,651	1,542,093,470	1,230,771,747

HONGKONG XIANGYU INVESTMENT CO., LIMITED

15. FINANCIAL INSTRUMENTS - continued

(c) Capital management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

The Company monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, guaranteed notes and amount due to ultimate and immediate holding company less cash and cash equivalents and restricted bank balances. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

Fair value estimation

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Company's assets that were measured at fair value at the end of each reporting period.

	As at 31 December		Fair value hierarchy
	2023 US\$	2022 US\$	
Financial assets			
Financial assets at FVTPL			
- Equity investments (note 11)	<u>245,205</u>	<u>328,162</u>	Level 1

There were no transfers between level 1 and 2 for recurring fair value measurements during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Financial assets at FVTPL are traded in active markets (such as publicly traded securities) and the fair value of financial instruments is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

16. RELATED PARTY TRANSACTIONS

The Company is controlled by the following entity:

<u>Name</u>	<u>Relationship</u>	<u>Place of establishment</u>	<u>Ownership interest</u>	
			<u>2023</u>	<u>2022</u>
			<u>%</u>	<u>%</u>
XMXYG Corporation	Ultimate and immediate holding company	PRC	100	100

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

Apart from those disclosed elsewhere in these financial statements, the Company had the following significant related party transactions:

(a) Transactions with related parties

	<u>Year ended 31 December</u>	
	<u>2023</u>	<u>2022</u>
	<u>US\$</u>	<u>US\$</u>
Rental expenses		
- Fellow subsidiaries	263,468	167,102
Interest income		
- Fellow subsidiaries	82,310,440	46,144,746

The above transactions were conducted according to the agreed terms between relevant related parties and the Company and in the ordinary course of business.

(b) Balances with related parties

	<u>As at 31 December</u>	
	<u>2023</u>	<u>2022</u>
	<u>US\$</u>	<u>US\$</u>
Amounts due from fellow subsidiaries		
-RMB denominated, interest-free	90,916	80,971
-RMB denominated, interest-bearing	156,906,322	165,371,046
-USD denominated, interest-free	9,112,479	6,102,478
-USD denominated, interest-bearing	817,340,271	826,859,860
-HKD denominated, interest-free	1,089,104	1,091,758
-JPY denominated, interest-free	(488,953)	(518,485)
	984,050,139	998,987,628
Amount due from ultimate and immediate holding company		
-USD denominated, interest-free	-	290,000,000

HONGKONG XIANGYU INVESTMENT CO., LIMITED

16. RELATED PARTY TRANSACTIONS - continued

(b) Balances with related parties - continued

Included in the amounts due from fellow subsidiaries, balance of approximately US\$974,247,000 and US\$992,231,000 as at 31 December 2023 and 2022, respectively, are secured by certain fixed assets of a fellow subsidiary, interest bearing at a range of 7.33% to 10.4% per annum, and repayable on demand. The Company has the unconditional right to demand the loan principal with 30 working days notice in advance to the fellow subsidiary. The remaining balance is unsecured, interest-free and repayable on demand.

	<u>As at 31 December</u>	
	<u>2023</u>	<u>2022</u>
	US\$	US\$
Amount due to ultimate and immediate holding company -RMB denominated, interest-free	<u>41,905,597</u>	<u>44,913,530</u>

The amount due to ultimate and immediate holding company is unsecured, interest-free and repayable on demand.

(c) Guarantees provided by related parties to the Company's application of other borrowings and guaranteed notes:

	<u>As at 31 December</u>	
	<u>2023</u>	<u>2022</u>
	US\$	US\$
XMXYG Corporation	<u>887,272,402</u>	<u>1,185,835,041</u>

(d) Directors' material interests in transactions, arrangements or contracts

Except for the transactions with related parties above, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

HONGKONG XIANGYU INVESTMENT CO., LIMITED

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the statement of cash flow as cash flows from financing activities.

	Other <u>borrowings</u> US\$	Guaranteed <u>notes</u> US\$	<u>Total</u> US\$
At 1 January 2022 (unaudited)	-	504,610,697	504,610,697
Financing cash flows	396,063,264	256,202,275	652,265,539
<i>Non-cash changes</i>			
Finance costs	1,157,459	28,144,926	29,302,385
Exchange adjustments	(343,580)	-	(343,580)
At 31 December 2022	396,877,143	788,957,898	1,185,835,041
Financing cash flows	(33,230,703)	(327,566,000)	(360,796,703)
<i>Non-cash changes</i>			
Finance costs	33,352,530	31,613,777	64,966,307
Exchange adjustments	(2,732,243)	-	(2,732,243)
At 31 December 2023	<u>394,266,727</u>	<u>493,005,675</u>	<u>887,272,402</u>

Auditor's Report

XMXYG Corporation

RSMSZ[2025]No.361Z0137

容诚会计师

骑丝

RSM CHINA CPA LLP

BEIJING·CHINA

This auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. In case the English version does not conform to the Chinese version, the Chinese version prevails.

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(English Translation for Reference Only)

Auditor's Report

RSMSZ[2025]No.361Z0137

To XMYG Corporation:

I. Opinion

We have audited the financial statements of XMYG Corporation (hereinafter referred to as "the Company"), which comprise the consolidated and the parent company's balance sheet as at 31 December 2024, the consolidated and the parent company's income statement, the consolidated and the parent company's statement of cash flows, the consolidated and the parent company's statement of changes in equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying Company's financial statements present fairly, in all material respects, the consolidated and the company's financial position as at 31 December 2024, and their financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with Chinese Standards on Auditing (CSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company (hereinafter referred to as “the Management”) is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards of Business Enterprises, and for the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing (if 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 supervising the processing for preparation of the Company’s financial statements.

IV. Auditor’s Responsibilities for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (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 the internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair 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 the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

(This is a seal page for Auditor's Report of RSMSZ[2025]No.361Z0137 for XMXYG Corporation without text.)



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Pan Yabin

China Certified Public accountant

27 April 2025

Consolidated Balance Sheet 31 December 2024

Prepared by: XIMXYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2024/12/31	2023/12/31
Current assets:			
Monetary funds	8.1	43,397,881,465.76	37,977,176,776.64
Financial assets held-for-trading	8.2	9,778,822,301.97	6,941,402,825.37
Derivative financial assets	8.3	627,206,750.64	305,080,704.16
Notes receivable	8.4	724,589,667.56	803,182,213.00
Accounts receivable	8.5	17,898,012,947.26	17,447,145,869.59
Accounts receivable financing	8.6	359,190,271.68	593,907,074.20
Advances to suppliers	8.7	16,100,831,444.37	25,242,441,773.19
Other receivables	8.8	34,111,859,286.52	22,338,100,511.99
Including: Interests receivable			
Dividend receivable		157,096,203.69	49,709,350.77
Inventories	8.9	93,703,384,088.89	104,628,481,255.78
Contract assets	8.10	792,785,791.59	651,409,814.60
Assets classified as held for sale			
Non-current assets maturing within one	8.11	4,034,975,424.12	3,025,132,287.06
Other current assets	8.12	16,545,257,683.41	16,688,691,713.61
Total current assets		238,074,797,123.77	236,642,152,819.19
Non-current assets:			
Debt investments	8.13	4,344,389,126.22	2,717,633,463.88
Other debt investments			
Long-term receivables	8.14	2,030,065,998.24	2,751,322,960.08
Long-term equity investments	8.15	12,337,166,787.35	16,597,497,811.38
Other equity instrument investment	8.16	85,714,285.71	
Other non-current financial assets	8.17	14,149,597,195.78	6,403,583,730.74
Investment properties	8.18	5,551,851,019.31	5,415,247,476.25
Fixed assets	8.19	36,137,194,450.27	37,472,679,438.64
Construction in progress	8.20	5,317,018,478.95	4,202,293,885.71
Productive biological assets			
Oil and gas assets			
Right-of-use assets	8.21	1,977,804,959.97	2,477,323,117.26
Intangible assets	8.22	4,490,704,181.44	4,420,166,722.31
Development expenditures	8.23	19,923,393.81	11,646,873.69
Goodwill	8.24	49,022,422.76	43,655,762.78
Long-term deferred expenses	8.25	507,781,198.94	517,816,004.02
Deferred tax assets	8.26	5,287,666,313.44	4,466,778,960.50
Other non-current assets	8.27	8,581,550,362.01	7,448,309,638.57
Total non-current assets		100,867,450,174.20	94,945,955,845.81
Total assets		338,942,247,297.97	331,588,108,665.00

Legal Representative:

Chief Financial Officer:

Finance Manager:



Consolidated Balance Sheet (Cont.)
31 December 2024

Prepared by: XMYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2024/12/31	2023/12/31
Current liabilities:			
Short-term borrowings	8.28	56,877,581,533.72	46,699,820,266.37
Financial liabilities held-for-trading			
Derivative financial liabilities	8.29	874,526,954.24	1,111,421,427.32
Notes payable	8.30	28,100,172,356.35	29,435,484,537.39
Accounts payable	8.31	19,507,603,393.58	21,298,052,459.84
Receipts in advance	8.32	75,370,165.69	81,511,013.57
Contract liabilities	8.33	42,910,128,565.61	53,946,894,552.82
Employee benefits payable	8.34	1,791,860,245.08	1,687,033,544.12
Taxes payable	8.35	2,058,664,049.09	1,944,978,984.97
Other payables	8.36	11,522,002,361.71	11,746,646,525.42
Including: Interests payables			
Dividend payables		557,246,987.48	380,558,319.88
Liabilities classified as held for sale			
Non-current liabilities maturing within	8.37	21,523,359,861.53	15,474,832,104.25
Other current liabilities	8.38	20,350,391,798.41	13,800,911,084.58
Total current liabilities		205,591,661,285.02	197,227,586,500.65
Non-current liabilities:			
Long-term borrowings	8.39	30,686,311,926.35	26,103,641,720.16
Bonds payable	8.40	11,050,946,289.41	16,584,998,524.26
Including: Preference share			
Perpetual debt			
Lease liabilities	8.41	823,047,699.74	1,068,370,231.56
Long-term payables	8.42	949,475,348.73	1,536,677,775.99
Long-term employee benefits payable	8.43	698,211,069.54	687,022,629.73
Estimated liabilities	8.44	23,154,030.89	82,609,126.33
Deferred income	8.45	521,701,862.90	539,017,483.07
Deferred tax liabilities	8.46	328,104,798.73	226,157,877.14
Other non-current liabilities	8.46		41,575,795.93
Total non-current liabilities		45,080,953,026.29	46,870,071,164.17
Total liabilities		250,672,614,311.31	244,097,657,664.82
Owners' equity			
Paid-in capital	8.47	1,775,908,300.00	1,775,908,300.00
Other equity instruments	8.48	11,158,000,000.00	8,216,700,000.00
Including: Preference shares			
Perpetual bonds		11,158,000,000.00	8,216,700,000.00
Capital reserves	8.49	10,641,355,363.29	11,350,589,019.68
Less: Treasury stock			
Other comprehensive income	8.50	564,283,126.97	-9,694,805.66
Special reserves	8.51	1,005,249.56	659,463.80
Surplus reserves	8.52	499,921,973.65	416,602,139.09
General risk reserves	8.53	21,941,971.14	22,338,459.25
Retained earnings	8.54	7,237,420,955.84	7,802,316,538.92
Total owner's equity attributable to parent		31,899,836,940.45	29,575,419,115.08
Non-controlling interests		56,369,796,046.21	57,915,031,885.10
Total owners' equity		88,269,632,986.66	87,490,451,000.18
Total liabilities and owners' equity		338,942,247,297.97	331,588,108,665.00

Legal Representative:



Chief Financial Officer:



Finance Manager:



Consolidated Income Statement
For the year ended 31 December 2024

Prepared by: XMXVG Corporation

Unit: Yuan Currency: RMB

Items	Note	2024	2023
I. Revenue		416,414,506,847.96	490,498,158,818.62
Including: operating revenue	8.55	416,414,506,847.96	490,498,158,818.62
II. Cost of sales		413,855,588,688.75	489,165,129,916.73
Including: operating cost	8.55	402,471,509,938.09	477,459,260,968.79
Taxes and surcharges		864,743,303.44	1,109,521,719.00
Selling and distribution expenses	8.56	3,499,389,331.82	2,879,720,597.38
General and administrative expenses	8.57	2,907,975,997.23	2,674,099,418.40
Research and development expenses	8.58	126,485,249.97	166,824,606.56
Finance costs	8.59	3,983,484,868.20	4,875,702,606.60
Including: Interest expense		4,000,431,005.03	4,782,830,212.87
Interest income		622,221,350.08	688,039,178.05
Add: Other income	8.60	619,260,445.97	782,105,350.89
Investment income/(losses)	8.61	1,595,185,286.73	499,134,731.11
Including: Investment income from associates and joint ventures		886,498,693.23	317,432,257.69
Gains/(losses) from derecognition of financial assets measured at amortised cost		-22,241,550.32	-87,184,392.26
Income/(losses) from net exposure hedging			
Gains/(losses) from changes in fair values	8.62	983,713,956.86	449,879,576.32
Credit impairment losses	8.63	-1,661,412,995.98	-1,195,642,763.12
Asset impairment losses	8.64	-1,709,931,054.32	-785,679,457.43
Gains/(losses) from disposal of assets	8.65	-102,483,463.95	51,125,098.22
III. Profit/(loss) from operations		2,283,250,314.51	1,133,951,417.88
Add: Non-operating income	8.66	280,451,002.21	362,720,091.11
Less: Non-operating expenses	8.67	213,650,672.59	152,715,718.06
IV. Profit/(loss) before tax		2,350,050,644.13	1,343,955,790.93
Less: Income tax expenses	8.68	1,093,134,445.68	348,759,782.80
V. Net profit/(loss) for the year		1,256,916,198.45	995,196,008.13
(I) Net profit/(loss) by continuity			
Net profit/(loss) from continuing operation		1,256,916,198.45	995,196,008.13
Net profit/(loss) from discontinued operation			
(II) Net profit/(loss) by ownership attribution			
Attributable to owners of the parent		177,171,591.04	102,864,345.88
Attributable to non-controlling interests		1,079,744,607.41	892,331,662.25
VI. Other comprehensive income for the year, after tax		585,314,482.40	-225,119,828.00
(a) Attributable to owners of the parent		423,526,606.97	-304,460,473.66
(i) Other comprehensive income that will not be reclassified subsequently to profit or loss		213,542,466.79	-361,744,195.19
1. Remeasurement gains or losses of a defined benefit plan			
2. Other comprehensive income using the equity method that will not be reclassified subsequently to profit or loss		213,542,466.79	-361,744,195.19
3. Changes in fair value of other equity instrument investment			
4. Changes in fair value of the Company's own credit risks			
(ii) Other comprehensive income to be reclassified subsequently to profit or loss		209,984,140.18	57,283,721.53
1. Other comprehensive income using the equity method which will be reclassified subsequently to profit or loss		73,602,816.59	12,811,096.72
2. Changes in fair value of other debt instrument investment			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Provision for credit impairment in other debt investments			
5. Reserve for cash flow hedges		59,346,872.23	-479,977.35
6. Exchange differences on translating foreign operations		77,034,451.36	44,952,602.16
(b) Attributable to non-controlling interests		161,787,875.43	79,340,645.66
VII. Total comprehensive income for the year		1,842,230,680.85	770,076,180.13
Attributable to owners of the parent		600,698,195.01	-201,596,127.78
Attributable to non-controlling interests		1,241,532,482.84	971,672,307.91

Legal Representative:

利张
印水

Chief Financial Officer:

王金莉

Finance Manager:

蔡圣



Consolidated Statement of Cash Flows For the year ended 31 December 2024

Prepared by XMYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2024	2023
I. Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		440,770,088,314.88	569,258,783,066.63
Cash received from tax refund		4,634,728,409.05	3,007,540,511.83
Other cash received relating to operating activities		32,620,701,622.96	39,960,758,418.24
Subtotal of cash inflows from operating activities		478,025,518,346.89	612,227,081,996.70
Cash payments for goods purchased and services received		426,216,062,938.79	538,905,290,111.88
Cash payments to and on behalf of employees		5,144,527,694.71	4,544,114,274.51
Payments for taxes		5,256,192,157.76	8,442,323,706.30
Other cash payments relating to operating activities		37,733,810,156.54	51,572,340,701.86
Subtotal of cash outflows from operating activities		474,350,592,947.80	603,464,068,794.55
Net cash flows from operating activities		3,674,925,399.09	8,763,013,202.15
II. Cash flows from investing activities			
Cash received from disposal and redemption of investments		55,095,101,231.17	76,874,888,932.64
Cash received from returns on investments		989,490,056.14	816,005,538.62
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		116,755,451.92	47,470,756.27
Net cash received from disposals of subsidiaries and other business units		88,685,018.03	4,667,441.56
Other cash received relating to investing activities		72,316,273.01	413,810,057.26
Subtotal of cash inflows from investing activities		56,362,348,030.27	78,156,842,726.35
Cash payments to acquire fixed, intangible and other long-term assets		3,762,085,369.14	3,254,305,512.22
Cash payments to acquire investments		58,452,488,279.46	72,328,812,467.64
Net cash payments to acquire subsidiaries and other business units			117,381,466.60
Other cash payments relating to investing activities		150,120,381.21	9,624,285,300.20
Subtotal of cash outflows from investing activities		62,364,694,029.81	85,324,784,746.86
Net cash flows from investing activities		-6,002,345,999.54	-7,167,942,020.51
III. Cash flows from financing activities			
Cash received from capital contributions		12,349,878,939.57	18,652,981,343.24
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		8,551,478,939.57	14,439,481,343.24
Cash received from borrowings		178,240,805,035.77	156,771,705,993.98
Other cash received relating to financing activities		4,985,105,408.10	7,032,302,951.72
Subtotal of cash inflows from financing activities		195,575,789,383.44	182,456,990,288.94
Cash repayments of debts		161,604,515,807.27	155,480,166,448.75
Cash payments for dividends, distribution of profit and interest expenses		7,149,263,343.37	8,590,809,506.31
Including: Dividends, distribution of profit paid to non-controlling shareholders of subsidiaries		2,006,308,083.55	1,787,063,223.83
Other cash payments relating to financing activities		16,458,112,907.39	18,181,210,055.54
Subtotal of cash outflows from financing activities		185,211,892,057.94	182,252,186,010.60
Net cash flows from financing activities		10,363,897,325.50	204,804,278.34
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-240,946,129.60	-71,084,024.86
V. Net increase / (decrease) in cash and cash equivalents		7,795,530,596.05	1,728,791,435.12
Plus: Cash and cash equivalents at the beginning of the period		32,636,298,473.08	30,907,507,037.96
VI. Cash and cash equivalents at the end of the period		40,431,829,069.13	32,636,298,473.08

Legal Representative:



Chief Financial Officer



Finance Manager:





Consolidated Statement of Changes in Owners' Equity
For the year ended 31 December 2024

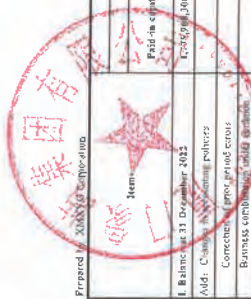
	2024										Unit: Yuan, Currency: RMB	
	Owners' equity attributable to the parent company											
	Paid in capital	Preference shares	Other equity instruments	Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Subtotal	Non-controlling interests
I. Balance at 1 January 2024	1,775,000,000.00		8,216,700,000.00	11,560,589,019.68		-9,694,805.66	659,403.40	416,602,139.09	22,378,659.25	7,802,316,538.92	29,575,419,115.00	57,915,931,598.10
II. Changes to equity during the reporting period												
(i) Changes in accounting policies												
(ii) Changes in accounting policies												
III. Balance at 31 December 2024	1,775,000,000.00		8,216,700,000.00	11,560,589,019.68		-9,694,805.66	659,403.40	416,602,139.09	22,378,659.25	7,802,316,538.92	29,575,419,115.00	57,915,931,598.10
IV. Balance at 31 December 2023	1,775,000,000.00		8,216,700,000.00	11,560,589,019.68		-9,694,805.66	659,403.40	416,602,139.09	22,378,659.25	7,802,316,538.92	29,575,419,115.00	57,915,931,598.10
1. Transfers to surplus reserves												
2. Transfers to general risk reserves												
3. Profit distribution to owners												
4. Others												
(iv) Transfer within owners' equity												
1. Capital reserves converted to paid in capital												
2. Surplus reserves converted to paid in capital												
3. Loss made up by surplus reserves												
4. Changes in the defined benefits plan												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(v) Special reserves												
1. Withdrawal during the reporting period												
2. Other during the reporting period												
(vi) Others												
1. Balance at 31 December 2023	1,775,000,000.00		8,216,700,000.00	11,560,589,019.68		-9,694,805.66	659,403.40	416,602,139.09	22,378,659.25	7,802,316,538.92	29,575,419,115.00	57,915,931,598.10
2. Balance at 31 December 2024	1,775,000,000.00		8,216,700,000.00	11,560,589,019.68		-9,694,805.66	659,403.40	416,602,139.09	22,378,659.25	7,802,316,538.92	29,575,419,115.00	57,915,931,598.10

Legal Representative

Chief Financial Officer

Finance Manager





Consolidated Statement of Changes in Owners' Equity
For the year ended 31 December 2023

Particulars	2023										Total owners' equity
	Paid-in capital	Preference shares	Other equity instruments	Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Subtotal	
1. Balance at 1 January 2022	1,775,908,300.00		6,210,000,000.00	10,180,802,484.74	294,765,658.09	7,745,162.56	337,826,693.13	26,428,873.80	5,519,855,410.08	27,522,442,592.31	53,149,817,133.57
2. Changes in equity during the reporting period											
(i) Total comprehensive income											
(ii) Capital contributions in equity during the reporting period											
(iii) Ordinary shares contributed by owners											
(iv) Capital contributed by the date of equity contribution											
(v) Share-based payments recognized in equity											
(vi) Profit distribution											
(vii) Transfer to surplus reserves											
(viii) Transfer to general risk reserves											
(ix) Profit distribution to owners											
(x) Others											
(xi) Special reserves											
(xii) Withdrawal during the reporting period											
(xiii) Other during the reporting period											
(xiv) Others											
15. Balance at 31 December 2023	1,775,908,300.00		6,210,000,000.00	10,180,802,484.74	294,765,658.09	7,745,162.56	337,826,693.13	26,428,873.80	5,519,855,410.08	27,522,442,592.31	53,149,817,133.57

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利张印水

Balance Sheet of Parent Company

31 December 2024

Prepared by: XMYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2024/12/31	2023/12/31
Current assets:			
Monetary funds		6,974,896,066.43	1,136,465,500.13
Financial assets held-for-trading		1,998,429,819.31	1,627,805,888.28
Derivative financial assets			
Notes receivable			
Accounts receivable	14.1	36,114,342.47	40,628,148.12
Accounts receivable financing			
Advances to suppliers		2,004,587.88	1,510,317.99
Other receivables	14.2	30,615,130,840.80	19,007,434,400.17
Including: Interests receivable			
Dividend receivable		180,216,341.85	40,261,587.04
Inventories			
Contract assets			
Assets classified as held for sale			
Non-current assets maturing within one year			
Other current assets			3,735,715.96
Total current assets		39,626,575,656.89	21,817,579,970.65
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	3	22,193,133,481.14	28,055,589,172.13
Other equity instrument investment			
Other non-current financial assets		13,235,187,335.52	6,806,598,408.17
Investment properties		1,334,476,261.52	1,374,064,166.93
Fixed assets		61,932,948.70	71,310,862.76
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		49,764,909.26	41,153,079.07
Development expenditures			
Goodwill			
Long-term deferred expenses		58,740,752.75	63,470,893.39
Deferred tax assets		267,412,558.92	222,101,510.04
Other non-current assets		7,823,540.46	9,978,010.42
Total non-current assets		37,208,471,788.27	36,644,266,102.91
Total non-current assets		76,835,047,445.16	58,461,846,073.56

Legal Representative:

利张
印水

Chief Financial Officer:

王利利

Finance Manager:

蔡圣

Balance Sheet of Parent Company (Cont.)

31 December 2024

Prepared by: XMXYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2024/12/31	2023/12/31
Current liabilities:			
Short-term borrowings		9,577,662,777.76	6,576,145,277.78
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		53,431,902.49	85,722,655.15
Receipts in advance		3,152,390.03	3,442,626.03
Contract liabilities		240,751.45	277,236.31
Employee benefits payable		27,347,698.72	28,850,229.36
Taxes payable		8,001,812.27	5,009,437.71
Other payables		1,627,546,279.60	1,234,106,618.52
Including: Interests payables			
Dividend payables		208,498,352.13	105,489,277.07
Liabilities classified as held for			
Non-current liabilities maturing within one year		13,450,828,008.01	8,177,386,997.26
Other current liabilities		14,574,695,068.49	5,549,174,726.77
Total current liabilities		39,322,906,688.82	21,660,115,804.89
Non-current liabilities:			
Long-term borrowings		8,781,400,000.15	10,359,250,000.00
Bonds payable		7,217,184,891.48	8,512,158,725.65
Including: Preference share			
Perpetual debt			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		4,397,529.67	4,691,832.95
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		16,002,982,421.30	18,876,100,558.60
Total liabilities		55,325,889,110.12	40,536,216,363.49
Owners' equity:			
Paid-in capital		1,775,908,300.00	1,775,908,300.00
Other equity instruments		11,158,000,000.00	8,216,700,000.00
Including: Preference shares			
Perpetual bonds		11,158,000,000.00	8,216,700,000.00
Capital reserves		9,291,573,946.78	9,228,532,117.99
Less: Treasury stock			
Other comprehensive income		3,244,632.20	-344,818,746.01
Special reserves			
Surplus reserves		504,852,202.56	421,532,368.00
General risk reserves			
Retained earnings		-1,224,420,746.50	-1,372,224,329.91
Total owners' equity		21,509,158,335.04	17,925,629,710.07
Total liabilities and owners' equity		76,835,047,445.16	58,461,846,073.56

Legal Representative:

Chief Financial Officer:

Finance Manager:

利张
印水

王立勤

蔡圣

Income Statement of Parent Company
For the year ended 31 December 2024

Prepared by: XMYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2024	2023
I. Revenue	14.4	313,429,132.79	220,046,000.02
Less: Costs of sales	14.4	63,367,990.18	64,777,073.22
Taxes and surcharges		10,629,549.73	7,785,755.85
Selling and distribution expenses		158,512.63	246,196.49
Administrative expenses		194,091,293.05	193,951,219.91
Research and development expenses			
Finance costs		765,314,022.39	856,711,080.98
Including: Interest expense		1,633,012,135.92	1,715,845,311.26
Interest income		918,055,239.43	904,291,011.97
Add: Other income		1,018,360.48	5,567,138.03
Investment income/(losses)	14.5	936,155,933.53	1,204,985,060.92
Including: Investment income from associates and joint ventures		102,915,134.88	104,629,276.29
Gains/(losses) from derecognition of financial assets measured at amortised cost			
Income/(losses) from net exposure hedging			
Gains/(losses) from changes in fair values		577,635,916.94	375,873,028.71
Credit impairment losses		-4,484,531.56	-3,583,940.46
Asset impairment losses			-101,516,010.00
Gains/(losses) from disposal of assets		29,727.50	-16,460.50
II. Profit/(loss) from operations		790,223,171.70	577,883,490.27
Add: Non-operating income		584,092.85	1,251,233.72
Less: Non-operating expenses		2,919,967.79	5,481,774.40
III. Profit/(loss) before tax		787,887,296.76	573,652,949.59
Less: Income tax expenses		-45,311,048.88	-222,101,510.04
IV. Net profit/(loss) for the year		833,198,345.64	795,754,459.63
Net profit/(loss) from continuing operation		833,198,345.64	795,754,459.63
Net profit/(loss) from discontinued operation			
V. Other comprehensive income for the year, after tax		197,612,052.55	-351,487,261.07
(i) Other comprehensive income that will not be reclassified subsequently to profit or loss		211,975,999.67	-362,427,325.33
1. Remeasurement gains			
2. Other comprehensive income using the equity method which will not be reclassified subsequently to profit and loss		211,975,999.67	-362,427,325.33
3. Changes in fair value of other equity instrument investment			
4. Changes in fair value of the Company's own credit risks			
(ii) Other comprehensive income to be reclassified subsequently to profit or loss		-14,363,947.12	10,940,064.26
1. Other comprehensive income that can be reclassified to profit or loss in equity method		-14,363,947.12	10,940,064.26
2. Changes in fair value of other debt instrument investment			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Provision for credit impairment in other debt investments			
5. Reserve for cash flow hedges			
6. Exchange differences on translating foreign operations			
VI. Total comprehensive income for the year		1,030,810,398.19	444,267,198.56

Legal Representative:

Chief Financial Officer:

王翊翔

Finance Manager:

蔡圣

Statement of Cash Flows
For the year ended 31 December 2024

Prepared by: XMXYG Corporation

Unit: Yuan Currency: RMB

Item	Note	2024	2023
I. Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		283,833,929.59	215,304,152.79
Cash received from tax refund			
Other cash received relating to operating activities		34,947,356,478.98	44,612,298,387.31
Subtotal of cash inflows from operating activities		35,231,170,408.57	44,827,602,540.10
Cash payments for goods purchased and services received		7,468,824.22	9,869,346.13
Cash payments to and on behalf of employees		112,143,558.58	111,801,171.10
Payments for taxes		20,014,021.32	6,980,848.66
Other cash payments relating to operating activities		37,031,152,999.23	47,349,803,911.62
Subtotal of cash outflows from operating activities		37,170,779,403.35	47,478,455,277.51
Net cash flows from operating activities		-1,939,608,994.78	-2,650,852,737.41
II. Cash flows from investing activities			
Cash received from disposal and redemption of investments		71,950,277,982.45	169,056,335,503.76
Cash received from returns on investments		1,460,664,221.19	1,976,148,858.56
Net cash received from disposals of fixed assets, intangible assets and other long-term assets			10,012,200.00
Net cash received from disposals of subsidiaries and other business units			
Other cash received relating to investing activities		50,000,000.00	
Subtotal of cash inflows from investing activities		73,460,942,203.64	171,042,496,562.32
Cash payments to acquire fixed, intangible and other long-term assets		43,337,609.35	100,998,126.37
Cash payments to acquire investments		80,739,539,997.99	169,667,053,151.32
Net cash payments to acquire subsidiaries and other business units			
Other cash payments relating to investing activities			
Subtotal of cash outflows from investing activities		80,782,877,607.34	169,768,051,277.69
Net cash flows from investing activities		-7,321,935,403.70	1,274,445,284.63
III. Cash flows from financing activities			
Cash received from capital contributions		3,798,400,000.00	4,213,500,000.00
Cash received from borrowings		40,177,100,000.00	32,947,448,000.00
Other cash received relating to financing activities			
Subtotal of cash inflows from financing activities		43,975,500,000.00	37,160,948,000.00
Cash repayments of debts		26,949,449,999.85	35,165,518,488.88
Cash payments for dividends, distribution of profit and interest expenses		1,854,531,433.88	2,442,085,328.11
Other cash payments relating to financing activities		71,543,601.49	52,280,354.49
Subtotal of cash outflows from financing activities		28,875,525,035.22	37,659,884,171.48
Net cash flows from financing activities		15,099,974,964.78	-498,936,171.48
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
V. Net increase / (decrease) in cash and cash equivalents		5,838,430,566.30	-1,875,343,624.26
Plus: Cash and cash equivalents at the beginning of the period		1,136,465,500.13	3,011,809,124.39
VI. Cash and cash equivalents at the end of the period		6,974,896,066.43	1,136,465,500.13

Legal Representative:



Chief Financial Officer:



Finance Manager:





Statement of Changes in Owners' Equity of Parent Company
For the year ended 31 December 2024

Unit: Yuan, Currency: RMB											
	2024										
	Paid-in capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owners' equity
		Preference shares	Perpetual capital securities	Others							
I. Balance at 31 December 2023	1,775,908,300.00		8,216,700,000.00		9,728,532,117.99		-344,818,746.01		421,532,368.00	-1,372,224,326.91	17,925,629,710.07
Add: Changes during the reporting period											
Changes in phase period stocks											
Others											
II. Balance at 1 January 2024	1,775,908,300.00		8,216,700,000.00		9,728,532,117.99		-344,818,746.01		421,532,368.00	-1,372,224,326.91	17,925,629,710.07
III. Changes in equity during the reporting period			2,941,300,000.00		63,041,828.79		348,063,378.21		85,319,834.56	147,803,583.41	3,603,526,624.97
(i) Total comprehensive income											
(ii) Capital contributions or withdrawal by owners			2,941,300,000.00		66,053,381.90		197,612,052.55		833,198,345.64	1,030,810,398.19	3,007,333,581.90
1. Ordinary shares contributed by shareholders					80,420,653.65						80,420,653.65
2. Capital contributed by holders of other equity instruments			2,941,300,000.00		-14,366,671.75						2,926,933,528.25
3. Share-based payments recognised in owners' equity											
4. Others											
(iii) Profit distribution											
1. Transfer to surplus reserves									83,319,834.56	-574,943,436.37	-491,623,601.81
2. Transfer to general risk reserves									83,319,834.56	-83,319,834.56	
3. Profit distribution to owners											
4. Others										-451,623,602.01	-451,623,602.01
(iv) Transfer within owners' equity											
1. Capital reserves converted to paid-in capital							150,451,325.66		-150,451,325.66		
2. Surplus reserves converted to paid-in capital											
3. Loss made up by surplus reserves											
4. Changes in the defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings							150,451,325.66			-150,451,325.66	
6. Others											
(v) Special reserves											
1. Withdrawal during the reporting period											
2. Usage during the reporting period											
(vi) Others											
IV. Balance at 31 December 2024	1,775,908,300.00		11,158,000,000.00		-3,011,753.11		3,344,632.29		504,852,302.56	-1,224,420,746.80	21,509,188,335.04
Total Reserves											

Legal Representative:

Chief Financial Officer:

Finance Manager:

利张印永

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Statement of Changes in Owners' Equity of Parent Company
For the year ended 31 December 2024

	2023							Unit: Yuan		Currency: RMB
	Paid-in capital	Preference shares	Other equity instruments	Capital reserves	Loss-Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owners' equity
I. Balance at 31 December 2022	1,775,908,300.00		6,210,000,000.00	8,043,115,108.93		6,685,515.06		341,956,922.84	-1,340,062,502.30	15,037,586,343.73
Add: Changes in accounting policies										
Correction for prior period errors										
Others										
II. Balance at 1 January 2023	1,775,908,300.00		6,210,000,000.00	8,043,115,108.93		6,685,515.06		341,956,922.84	-1,340,062,502.30	15,037,586,343.73
III. Changes in equity during the reporting period										
(a) Total comprehensive income			2,606,700,000.00	1,185,417,609.86		-331,487,261.67		79,575,445.96	-52,161,827.61	2,888,043,366.34
(b) Capital contributions or withdrawals by owners										
1. Ordinary shares contributed by shareholders			2,006,700,000.00	1,182,481,388.76		-331,487,261.67			795,754,459.63	644,267,198.56
2. Capital contributed by holders of other equity instruments										3,189,181,388.26
3. Share-based payment recognised in owners' equity			2,696,700,000.00	1,192,459,293.94						1,192,459,293.94
4. Others				-9,977,905.68						1,996,722,094.32
(c) Profit distribution										
1. Transfer to surplus reserves								79,575,445.96	-827,916,287.24	-748,340,841.28
2. Transfer to general risk reserves								79,575,445.96	-79,575,445.96	
3. Profit distribution to owners										
4. Others										
(d) Transfer within owners' equity										
1. Capital reserves converted to paid-in capital										
2. Surplus reserves converted to paid-in capital										
3. Loss made up by surplus reserves										
4. Changes in the defined benefit plan transferred to retained earnings										
5. Other comprehensive income transferred to retained earnings										
6. Others										
(e) Special reserves										
1. Withdrawal during the reporting period										
2. Usage during the reporting period										
(f) Others										
IV. Balance at 31 December 2023	1,775,908,300.00		8,216,700,000.00	9,228,532,117.99		-344,918,746.61		421,532,368.00	-1,372,234,325.91	17,935,639,716.07

Legal Representative:

Chief Financial Officer:

Finance Manager:

利张印水
2023.12.31

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XMXYG Corporation

Notes to the Financial Statements

For the year ended 31 December 2024

(All amounts are expressed in Renminbi Yuan (“RMB”) unless otherwise stated)

1. BASIC INFORMATION ABOUT THE COMPANY

XMXYG Corporation (hereinafter referred to as “the Company”, “the Group”) was established as limited liability company with the approval of “Reply on the Establishment of XMXYG Corporation” (Xia Fu [1995] Zong No. 230) by Xiamen People’s Government. The Company was registered with Xiamen Administration for Industry and Commerce, and registered capital of RMB 138 million.

As of 31 December 2023, the registered capital of the Company is 1,775.9083 million. The unified social credit code of the Company is 9135020026015919XW. The Company’s operational venue is Unit 1, 10F, Building A, XMXYG CORP. Building, No. 81 Xiangyu Road, Xiamen, China. The legal representative of the Company is Shuili Zhang.

The operating period of the Company is from 28 November 1995 to 27 November 2035.

The Company’s principal operating activities are: operation and management state-owned assets within the scope of authorization; exercising investor rights on the state-owned assets of the invested enterprise and shareholder rights on the state-owned equity of the joint stock company limited by authorization; in accordance with the industrial development policy formulated by the municipal government, implementation of asset reorganization through transfers, mergers and acquisitions, optimization of capital allocation, and realization of the appreciation of state-owned assets; engagement in property rights transaction agency business; establishment of financial companies and leasing companies in accordance with relevant laws and regulations of the country; engagement in industrial investment; real estate development and operation, management, and land integration development and transfer of use rights; business information consulting services, exhibitions, conference services, real estate leasing services; e-commerce services, e-commerce platform construction; wholesale of gold, silver and products; loading and unloading and handling; other warehousing industries (excluding projects that require permission for approval); domestic freight forwarding; other unspecified transportation agency business (excluding items requiring approval); other unspecified retail industry (excluding items requiring approval); nickel-cobalt smelting; non-ferrous metal alloy manufacturing; non-ferrous metal casting; leisure and fitness activities (excluding high-risk sports events).

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Based on going concern, according to actually occurred transactions and events, the Company

prepares its financial statements in accordance with the Accounting Standards for Business Enterprises – Basic standards and concrete accounting standards, Accounting Standards for Business Enterprises – Application Guidelines, Accounting Standards for Business Enterprises – Interpretations and other relevant provisions (collectively known as “Accounting Standards for Business Enterprises, issued by Ministry of Finance of PRC”).

The Company prepare financial statements on the going concern basis.

3. Statement of Compliance with the Accounting Standards for Business Enterprises

The Company prepares its financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises, truly and completely reflecting the the consolidated and the Company’s financial position as at 31 December 2024, and its operating results, changes in shareholders' equity, cash flows and other related information for the year then ended.

4. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

4.1 Accounting Period

The accounting year of the Company is from 1 January to 31 December in calendar year.

4.2 Functional Currency

The Company takes Renminbi Yuan (“RMB”) as the functional currency.

The Company’s overseas subsidiaries choose the currency of the primary economic environment in which the subsidiaries operate as the functional currency.

4.3 Accounting basis and valuation principles

The Company's accounting is conducted on an accrual basis. With the exception of certain financial instruments, these financial statements are prepared using the historical cost convention. In the event of asset impairment, an appropriate impairment provision will be recognized in accordance with applicable regulations.

4.4 Business Combinations

(a) Business combinations under common control

The assets and liabilities that the Company obtains in a business combination under common control shall be measured at their carrying amount of the acquired entity at the combination date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired party based on the principal of materiality. As for the difference between the carrying amount of the net assets obtained by the acquiring entity and the carrying amount of the consideration paid by it, the capital reserve

(capital premium or share premium) shall be adjusted. If the capital reserve (capital premium or share premium) is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

For the accounting treatment of business combination under common control by step acquisitions, please refer to Note 4.5(e).

(b) Business combinations not under common control

The assets and liabilities that the Company obtains in a business combination not under common control shall be measured at their fair value at the acquisition date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired entity based on the principle of materiality. The acquiring entity shall recognise the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquired entity as goodwill. The acquiring entity shall, pursuant to the following provisions, treat the negative balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquired entity:

- (i) It shall review the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities it obtains from the acquired entity as well as the combination costs;
- (ii) If, after the review, the combination costs are still less than the fair value of the identifiable net assets it obtains from the acquired entity, the balance shall be recognised in profit or loss of the reporting period.

For the accounting treatment of business combination under the same control by step acquisitions, please refer to Note 4.5(e).

Method for determining the acquisition date and disposal date of business combinations not under common control: The Company determines the acquisition date or disposal date based on the acquisition or loss of control over the acquiree.

Method for determining the fair value of transactions related to the date of consolidation: The Company primarily relies on the results of asset evaluations, market pricing, or other methods to determine the fair value of transactions related to the date of consolidation. For the details, please refer to Note 4.10.

(c) Treatment of business combination related costs

The intermediary costs such as audit, legal services and valuation consulting and other related management costs that are directly attributable to the business combination shall be charged in profit or loss in the period in which they are incurred. The costs to issue equity or debt securities for the consideration of business combination shall be recorded as a part of the value of the respect equity or debt securities upon initial recognition.

4.5 Preparing the Consolidated Financial Statements

(a) Consolidation decision

The scope of consolidated financial statements shall be determined on the basis of control. It not only includes subsidiaries determined based on voting rights (or similar) or together with other arrangement, but also structured entities under one or more contractual arrangements.

Control exists when the Company has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. Subsidiaries are the entities that controlled by the Company (including enterprise, a divisible part of the investee, and structured entity controlled by the enterprise). A structured entity (sometimes called a Special Purpose Entity) is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

(b) Method of preparing the consolidated financial statements

The consolidated financial statements shall be prepared by the Company based on the financial statements of the Company and its subsidiaries, and using other related information.

When preparing consolidated financial statements, the Company shall consider the entire group as an accounting entity, adopt uniform accounting policies and apply the requirements of Accounting Standard for Business Enterprises related to recognition, measurement and presentation. The consolidated financial statements shall reflect the overall financial position, operating results and cash flows of the group.

- (i) Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of the subsidiaries.
- (ii) The carrying amount of the parent's investment in each subsidiary is eliminated (off-set) against the parent's portion of equity of each subsidiary.
- (iii) Eliminate the impact of intragroup transactions between the Company and the subsidiaries or between subsidiaries, and when intragroup transactions indicate an impairment of related assets, the losses shall be recognised in full.
- (iv) Make adjustments to special transactions from the perspective of the group.

(c) Method of preparation of the consolidated financial statements when subsidiaries are acquired or disposed in the reporting period

- (i) Acquisition of subsidiaries or business

Subsidiaries or business acquired through business combination under common control

When preparing consolidated statements of financial position, the opening balance of the consolidated balance sheet shall be adjusted. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Incomes, expenses and profits of the subsidiary incurred from the beginning of the reporting

period to the end of the reporting period shall be included into the consolidated statement of profit or loss. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Cash flows from the beginning of the reporting period to the end of the reporting period shall be included into the consolidated statement of cash flows. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Subsidiaries or business acquired through business combination not under common control

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits of the subsidiary incurred from the acquisition date to the end of the reporting period shall be included into the consolidated statement of profit or loss.

Cash flows from the acquisition date to the end of the reporting period shall be included into the consolidated statement of cash flows.

(ii) Disposal of subsidiaries or business

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits incurred from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of profit or loss.

Cash flows from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of cash flows.

(d) Special consideration in consolidation elimination

(i) Long-term equity investment held by the subsidiaries to the Company shall be recognised as treasury stock of the Company, which is offset with the owner's equity, represented as "treasury stock" under "owner's equity" in the consolidated statement of financial position.

Long-term equity investment held by subsidiaries between each other is accounted for taking long-term equity investment held by the Company to its subsidiaries as reference. That is, the long-term equity investment is eliminated (off-set) against the portion of the corresponding subsidiary's equity.

(ii) Due to not belonging to paid-in capital (or share capital) and capital reserve, and being different from retained earnings and undistributed profit, "Specific reserves" and "General risk provision" shall be recovered based on the proportion attributable to owners of the parent company after long-term equity investment to the subsidiaries is eliminated with the subsidiaries' equity.

(iii) If temporary timing difference between the book value of the assets and liabilities in the

consolidated statement of financial position and their tax basis is generated as a result of elimination of unrealized inter-company transaction profit or loss, deferred tax assets of deferred tax liabilities shall be recognised, and income tax expense in the consolidated statement of profit or loss shall be adjusted simultaneously, excluding deferred taxes related to transactions or events directly recognised in owner's equity or business combination.

(iv) Unrealised inter-company transactions profit or loss generated from the Company selling assets to its subsidiaries shall be eliminated against "net profit attributed to the owners of the parent company" in full. Unrealized inter-company transactions profit or loss generated from the subsidiaries selling assets to the Company shall be eliminated between "net profit attributed to the owners of the parent company" and "non-controlling interests" pursuant to the proportion of the Company in the related subsidiaries. Unrealized inter-company transactions profit or loss generated from the assets sales between the subsidiaries shall be eliminated between "net profit attributed to the owners of the parent company" and "non-controlling interests" pursuant to the proportion of the Company in the selling subsidiaries.

(v) If loss attributed to the minority shareholders of a subsidiary in current period is more than the proportion of non-controlling interest in this subsidiary at the beginning of the period, non-controlling interest is still to be written down.

(e) Accounting for Special Transactions

(i) Purchasing of non-controlling interests

Where, the Company purchases non-controlling interests of its subsidiary, in the separate financial statements of the Company, the cost of the long-term equity investment obtained in purchasing non-controlling interests is measured at the fair value of the consideration paid. In the consolidated financial statements, difference between the cost of the long-term equity investment newly obtained in purchasing non-controlling interests and share of the subsidiary's net assets from the acquisition date or combination date continuingly calculated pursuant to the newly acquired shareholding proportion shall be adjusted into capital reserve (capital premium or share premium). If capital reserve is not enough to be offset, surplus reserve and undistributed profit shall be offset in turn.

(ii) Gaining control over the subsidiary in stages through multiple transactions

Business combination under common control in stages through multiple transactions

On the combination date, in the separate financial statement, initial cost of the long-term equity investment is determined according to the share of carrying amount of the acquiree's net assets in the ultimate controlling entity's consolidated financial statements after combination. The difference between the initial cost of the long-term equity investment and the carrying amount of the long-term investment held prior of control plus book value of additional consideration paid at acquisition date is adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against surplus reserve and undistributed profit in turn.

In the consolidated financial statements, the assets and liabilities acquired during the combination should be recognized at their carrying amount in the ultimate controlling entity's consolidated financial statements on the combination date unless any adjustment is resulted from the difference in accounting policies and accounting period. The difference between the carrying amount of the investment held prior of control plus book value of additional consideration paid on the acquisition date and the net assets acquired through the combination is adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against retained earnings.

If the acquiring entity holds equity investment in the acquired entity prior to the combination date, related profit or loss, other comprehensive income and other changes in equity which have been recognised during the period from the later of the date of the Company obtaining original equity interest and the date of both the acquirer and the acquiree under common control of the same ultimate controlling party to the combination date should be offset against the opening balance of retained earnings at the comparative financial statements period respectively or the profit or loss for the current period.

Business combination not under common control in stages through multiple transactions

On the consolidation date, in the separate financial statements, the initial cost of long-term equity investment is determined according to the carrying amount of the original long-term investment plus the cost of new investment.

In the consolidated financial statements, the equity interest of the acquired entity held prior to the acquisition date shall be re-measured at its fair value on the acquisition date. If the equity interest in the acquired entity held prior to the acquisition date is designated as a financial asset measured at fair value with changes recognised in other comprehensive income, the difference between the fair value and the carrying amount shall be recognised in retained earnings, and the cumulative fair value changes previously recognised in other comprehensive income shall be transferred to retained earnings. If the equity interest in the acquired entity held prior to the acquisition date is measured at fair value with changes recognised in profit or loss or accounted for as a long-term equity investment using the equity method, the difference between the fair value and the carrying amount shall be recognised in investment income for the current period. For equity interests held in the acquired entity prior to the acquisition date that are accounted for under the equity method and involve other comprehensive income, as well as other changes in the owner's equity (excluding net profit or loss, other comprehensive income, and profit distributions), the related other comprehensive income shall be accounted for on the acquisition date using the same basis as if the investee had directly disposed of the related assets or liabilities. The related changes in other owner's equity shall be reclassified to investment income for the period in which the acquisition date falls.

(iii) Disposal of investment in subsidiaries without a loss of control

For partial disposal of the long-term equity investment in the subsidiaries without a loss of control, when the Company prepares consolidated financial statements, difference between

consideration received from the disposal and the corresponding share of subsidiary's net assets cumulatively calculated from the acquisition date or combination date shall be adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be offset against retained earnings.

(iv) Disposal of investment in subsidiaries with a loss of control

Disposal through one transaction

If the Company loses control in an investee through partial disposal of the equity investment, when the consolidated financial statements are prepared, the retained equity interest should be re-measured at fair value at the date of loss of control. The difference between i) the sum of the consideration received from the disposal and the fair value of the remaining equity interest, and ii) the sum of the share of the net assets of the former subsidiary (calculated on a cumulative basis from the acquisition date or combination date in accordance with the original ownership percentage) and the related goodwill, shall be recognised in investment income for the period in which control is lost.

Moreover, other comprehensive income related to the equity investment in the former subsidiary shall be accounted for on the same basis as if the former subsidiary had directly disposed of the relevant assets or liabilities upon the loss of control. Other changes in owners' equity related to the former subsidiary that were recognised under the equity method shall be reclassified to profit or loss upon the loss of control.

Disposal in stages

In the consolidated financial statements, whether the transactions should be accounted for as "a single transaction" needs to be decided firstly.

If the disposal in stages should not be classified as "a single transaction", in the separate financial statements, for transactions prior of the date of loss of control, carrying amount of each disposal of long-term equity investment need to be recognized, and the difference between consideration received and the carrying amount of long-term equity investment corresponding to the equity interest disposed should be recognized in current investment income; in the consolidated financial statements, the disposal transaction should be accounted for according to related policy in "Disposal of long-term equity investment in subsidiaries without a loss of control".

If the disposal in stages should be classified as "a single transaction", these transactions should be accounted for as a single transaction of disposal of subsidiary resulting in loss of control. In the separate financial statements, for each transaction prior of the date of loss of control, difference between consideration received and the carrying amount of long-term equity investment corresponding to the equity interest disposed should be recognised as other comprehensive income firstly, and transferred to profit or loss as a whole when control is lost; in the consolidated financial statements, for each transaction prior of the date of loss of control, difference between consideration received and proportion of the subsidiary's net assets corresponding to the equity interest disposed should be recognised in profit or loss as a

whole when control is lost.

In considering of the terms and conditions of the transactions as well as their economic impact, the presence of one or more of the following indicators may lead to account for multiple transactions as a single transaction:

- The transactions are entered into simultaneously or in contemplation of one another.
- The transactions form a single transaction designed to achieve an overall commercial effect.
- The occurrence of one transaction depends on the occurrence of at least one other transaction.
- One transaction, when considered on its own merits, does not make economic sense, but when considered together with the other transaction or transactions would be considered economically justifiable.

(v) Diluting equity share of parent company in its subsidiaries due to additional capital injection by the subsidiaries' minority shareholders.

Other shareholders (minority shareholders) of the subsidiaries inject additional capital in the subsidiaries, which resulted in the dilution of equity interest of parent company in these subsidiaries. In the consolidated financial statements, difference between share of the corresponding subsidiaries' net assets calculated based on the parent's equity interest before and after the capital injection shall be adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against retained earnings.

4.6 Classification of Joint Arrangements and Accounting for Joint Operation

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangement of the Company is classified as either a joint operation or a joint venture.

(a) Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company shall recognise the following items in relation to shared interest in a joint operation, and account for them in accordance with relevant accounting standards of the Accounting Standards for Business Enterprises:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

(b) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company accounts for its investment in the joint venture by applying the equity method of long-term equity investment.

4.7 Cash and Cash Equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term (generally within three months of maturity at acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.8 Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

(a) Determination of the exchange rate for foreign currency transactions

At the time of initial recognition of a foreign currency transaction, the amount in the foreign currency shall be translated into the amount in the functional currency at the spot exchange rate of the transaction date, or at an exchange rate which is determined through a systematic and reasonable method and is approximate to the spot exchange rate of the transaction date (hereinafter referred to as the approximate exchange rate).

(b) Translation of monetary items denominated in foreign currency at the balance sheet date

The foreign currency monetary items shall be translated at the spot exchange rate at the balance sheet date. Exchange differences arising from the difference between the spot exchange rate at the balance sheet date and the spot exchange rate at the time of initial recognition or the previous balance sheet date shall be recognised in profit or loss for the current period. The foreign currency non-monetary items measured at historical cost shall be translated at the spot exchange rate on the transaction date. For inventories measured at the lower of cost and net realizable value (NRV), where the inventories are purchased in a foreign currency and their NRV is denominated in that foreign currency at the balance sheet date, the NRV shall first be translated into the functional currency using the spot exchange rate at the balance sheet date. This translated amount is then compared with the inventory cost denominated in the functional currency to determine the carrying amount of such inventories at the period-end. For foreign currency non-monetary items measured at fair value, the translation shall be performed using the spot exchange rate at the date the fair value is determined. For financial assets measured at fair value through profit or loss, the difference between the translated functional currency amount and the original functional currency amount shall be recognised in profit or loss. For non-trading equity instruments designated as

fair value through other comprehensive income, the corresponding exchange differences arising from translation shall be recorded directly in other comprehensive income.

(c) Translation of foreign currency financial statements

Before translating the financial statements of foreign operations, the accounting period and accounting policy shall be adjusted so as to conform to the Company. The adjusted foreign operation financial statements denominated in foreign currency (other than functional currency) shall be translated in accordance with the following method:

- (i) The asset and liability items in the statement of financial position shall be translated at the spot exchange rates at the date of that statement of financial position. The owners' equity items except undistributed profit shall be translated at the spot exchange rates when they are incurred.
- (ii) The income and expense items in the statement of profit and other comprehensive income shall be translated at the spot exchange rates or approximate exchange rate at the date of transaction.
- (iii) Foreign currency cash flows and cash flows of foreign subsidiaries shall be translated at the spot exchange rate or approximate exchange rate when the cash flows are incurred. The effect of exchange rate changes on cash is presented separately in the statement of cash flows as an adjustment item.
- (iv) The differences arising from the translation of foreign currency financial statements shall be presented in "other comprehensive income" under the owners' equity items of the consolidated statement of financial position.

When disposing a foreign operation involving loss of control, the cumulative amount of the exchange differences relating to that foreign operation recognised under other comprehensive income in the statement of financial position, shall be reclassified into current profit or loss according to the proportion disposed.

4.9 Financial Instruments

Financial instrument is any contract which gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Recognition and derecognition of financial instrument

A financial asset or a financial liability should be recognised in the statement of financial position when, and only when, an entity becomes party to the contractual provisions of the instrument.

A financial asset can only be derecognised when meets one of the following conditions:

- (i) The rights to the contractual cash flows from a financial asset expire
- (ii) The financial asset has been transferred and meets one of the following derecognition conditions:

Financial liabilities (or part thereof) are derecognised only when the liability is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expires. An exchange of the Company (borrower) and lender of debt instruments that carry significantly different terms or a substantial modification of the terms of an existing liability are both accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Purchase or sale of financial assets in a regular-way shall be recognised and derecognised using trade date accounting. A regular-way purchase or sale of financial assets is a transaction under a contract whose terms require delivery of the asset within the time frame established generally by regulations or convention in the market place concerned. Trade date is the date at which the entity commits itself to purchase or sell an asset.

(b) Classification and measurement of financial assets

At initial recognition, the Company classified its financial asset based on both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset: financial asset at amortised cost, financial asset at fair value through profit or loss (FVTPL) and financial asset at fair value through other comprehensive income (FVTOCI). Reclassification of financial assets is permitted if, and only if, the objective of the entity's business model for managing those financial assets changes. In this circumstance, all affected financial assets shall be reclassified on the first day of the first reporting period after the changes in business model; otherwise the financial assets cannot be reclassified after initial recognition.

Financial assets shall be measured at initial recognition at fair value. For financial assets measured at FVTPL, transaction costs are recognised in current profit or loss. For financial assets not measured at FVTPL, transaction costs should be included in the initial measurement. Notes receivable or accounts receivable that arise from sales of goods or rendering of services are initially measured at the transaction price defined in the accounting standard of revenue where the transaction does not include a significant financing component.

Subsequent measurement of financial assets will be based on their categories:

(i) Financial asset at amortised cost

The financial asset at amortised cost category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. These financial assets are subsequently measured at amortised cost by adopting the effective interest rate method. Any gain or loss arising from derecognition according to the amortization under effective interest rate method or impairment are recognised in current profit or loss.

(ii) Financial asset at fair value through other comprehensive income (FVTOCI)

The financial asset at FVTOCI category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principle and interest on the principal amount outstanding. All changes in fair value are recognised in other comprehensive income except for gain or loss arising from impairment or exchange differences, which should be recognised in current profit or loss. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to current profit or loss. However, interest income calculated based on the effective interest rate is included in current profit or loss.

The Company make an irrevocable decision to designate part of non-trading equity instrument investments as measured through FVTOCI. All changes in fair value are recognised in other comprehensive income except for dividend income recognised in current profit or loss. At derecognition, cumulative gain or loss are reclassified to retained earnings.

(iii) Financial asset at fair value through profit or loss (FVTPL)

Financial asset except for above mentioned financial asset at amortised cost or financial asset at fair value through other comprehensive income (FVTOCI), should be classified as financial asset at fair value through profit or loss (FVTPL). These financial assets should be subsequently measured at fair value. All the changes in fair value are included in current profit or loss.

(c) Classification and measurement of financial liabilities

The Company classified the financial liabilities as financial liabilities at fair value through profit or loss (FVTPL), loan commitments at a below-market interest rate and financial guarantee contracts and financial asset at amortised cost.

Subsequent measurement of financial assets will be based on the classification:

(i) Financial liabilities at fair value through profit or loss (FVTPL)

Held-for-trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at FVTPL are classified as financial liabilities at FVTP. After initial recognition, any gain or loss (including interest expense) are recognised in current profit or loss except for those hedge accounting is applied. For financial liability that is designated as at FVTPL, changes in the fair value of the financial liability that is attributable to changes in the own credit risk of the issuer shall be presented in other comprehensive income. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to retained earnings.

(ii) Financial liabilities at amortised cost

After initial recognition, the Company measured other financial liabilities at amortised cost using the effective interest method.

Except for special situation, financial liabilities and equity instrument should be classified in accordance with the following principles:

(i) If the Company has no unconditional right to avoid delivering cash or another financial instrument to fulfill a contractual obligation, this contractual obligation meet the definition of financial liabilities. Some financial instruments do not comprise terms and conditions related to obligations of delivering cash or another financial instrument explicitly, they may include contractual obligation indirectly through other terms and conditions.

(ii) If a financial instrument must or may be settled in the Company's own equity instruments, it should be considered that the Company's own equity instruments are alternatives of cash or another financial instrument, or to entitle the holder of the equity instruments to sharing the remaining rights over the net assets of the issuer. If the former is the case, the instrument is a liability of the issuer; otherwise, it is an equity instrument of the issuer. Under some circumstances, it is regulated in the contract that the financial instrument must or may be settled in the Company's own equity instruments, where, amount of contractual rights and obligations are calculated by multiplying the number of the equity instruments to be available or delivered by its fair value upon settlement. Such contracts shall be classified as financial liabilities, regardless that the amount of contractual rights and liabilities is fixed, or fluctuate totally or partially with variables other than market price of the entity's own equity instruments (such as interest rate, price of some kind of goods or some kind of financial instrument).

(d) Derivatives and embedded derivatives

At initial recognition, derivatives shall be measured at fair value at the date of derivative contracts are signed and subsequently measured at fair value. The derivative with a positive fair value shall be recognized as an asset, and with a negative fair value shall be recognised as a liability.

Gains or losses arising from the changes in fair value of derivatives shall be recognised directly into current profit or loss except for the effective portion of cash flow hedges which shall be recognised in other comprehensive income and reclassified into current profit or loss when the hedged items affect profit or loss.

An embedded derivative is a component of a hybrid contract with a financial asset as a host, the Company shall apply the requirements of financial asset classification to the entire hybrid contract. If a host that is not a financial asset and the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, the embedded derivative shall be separated from the hybrid instrument and accounted for as a separate derivative instrument. If the Company is unable to measure the fair value of the embedded derivative at the acquisition date or subsequently at the balance sheet date, the entire hybrid contract is designated as

financial assets or financial liabilities at fair value through profit or loss.

(e) Impairment of financial instrument

The Company shall recognise a loss allowance based on expected credit losses on a financial asset that is measured at amortised cost, a debt investment at fair value through other comprehensive income, a contract asset, a lease receivable, a loan commitment and a financial guarantee contract.

(i) Measurement of expected credit losses

Expected credit losses are the weighted average of credit losses of the financial instruments with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (ie all cash shortfalls), discounted at the original effective interest rate or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or the expected lifetime, if the expected life of a financial instrument is less than 12 months).

At each reporting date, the Company classifies financial instruments into three stages and makes provisions for expected credit losses accordingly. A financial instrument of which the credit risk has not significantly increased since initial recognition is at stage 1. The Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired is at stage 2. The Company shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses. A financial instrument is considered to be credit-impaired as at the end of the reporting period is at stage 3. The Company shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date and measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For financial instrument at stage 1, stage 2 and those have low credit risk, the interest revenue shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset (ie, impairment loss not been deducted). For financial instrument at stage 3, interest revenue shall be calculated by applying the effective interest rate to the amortised cost after deducting of impairment loss.

For notes receivable, accounts receivable and accounts receivable financing, no matter it contains a significant financing component or not, the Company shall measure the loss allowance at an amount equal to the lifetime expected credit losses.

Receivables/Contract assets

For the notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables which are demonstrated to be impaired by any objective evidence, or applicable for individual assessment, the Company shall individually assess for impairment and recognise the loss allowance for expected credit losses. If the Company determines that no objective evidence of impairment exists for notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables, or the expected credit loss of a single financial asset cannot be assessed at reasonable cost, such notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables shall be divided into several groups with similar credit risk characteristics and collectively calculated the expected credit loss. The determination basis of groups is as following:

Determination basis of notes receivable is as following:

Group 1: Commercial acceptance bills

Group 2: Bank acceptance bills

For each group, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of accounts receivable is as following:

Group 1: Accounts receivables from comprehensive logistics and development and operation of logistics platform (park)

Group 2: Accounts receivables from Commodities, procurement, supply and others

Group 3: Accounts receivables due from related parties, and letters of credit

For each group, the Company calculates expected credit losses through preparing an aging analysis schedule with the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of other receivables is as following:

Group 1: Other receivables from comprehensive logistics and development and operation of logistics platform (park) and others

Group 2: Other receivables from Commodities, procurement, supply and others

Group 3: Receivables from related party transactions, staff petty cash, exporting tax rebate receivable, security deposit, and deposits

For each group, the Company calculates expected credit losses through default exposure and the 12-months or lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of accounts receivable financing is as following:

Group 1: Accounts receivable, commercial acceptance bills

Group 2: Bank acceptance bills

For each group, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of contract assets is as following:

Group 1: Contract assets related to shipbuilding

Group 2: Contract assets related to comprehensive logistics

Group 3: Contract assets related to entrusted construction projects

For each group, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of long-term receivables financing is as following:

The Company's long-term receivables include lease receivables, receivables by installments for sales of commodities etc.

For receivables by installments for sales of commodities, receivables for terminal cooperation projects, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

The aging calculation methods for the aging groups are as following:

For accounts receivable by credit risk characteristics, the Company calculates expected credit losses through the aging from the date of transaction to the balance sheet date, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Debt investment and other debt investment

For debt investment and other debt investment, the Company shall calculate the expected credit loss through the default exposure and the 12-month or lifetime expected credit loss rate based on the nature of the investment, counterparty and the type of risk exposure.

(ii) Low credit risk

If the financial instrument has a low risk of default, the borrower has a strong capacity to meet

its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

(iii) Significant increase in credit risk

The Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition, using the change in the risk of a default occurring over the expected life of the financial instrument, through the comparison of the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

To make that assessment, the Company shall consider reasonable and supportable information, that is available without undue cost or effort, and that is indicative of significant increases in credit risk since initial recognition, including forward-looking information. The information considered by the Company are as following:

- Significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception
- Existing or forecast adverse change in the business, financial or economic conditions of the borrower that results in a significant change in the borrower's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the borrower; An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise influence the probability of a default occurring;
- Significant change that are expected to reduce the borrower's economic incentive to make scheduled contractual payments;
- Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument;
- Significant changes in the expected performance and behavior of the borrower;
- Contractual payments are more than 30 days past due.

Depending on the nature of the financial instruments, the Company shall assess whether the credit risk has increased significantly since initial recognition on an individual financial instrument or a group of financial instruments. When assessed based on a group of financial instruments, the Company can group financial instruments on the basis of shared credit risk

characteristics, for example, past due information and credit risk rating.

Generally, the Company shall determine the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Company can only rebut this presumption if the Company has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due.

(iv) Credit-impaired financial asset

The Company shall assess at each reporting date whether the credit impairment has occurred for financial asset at amortised cost and debt investment at fair value through other comprehensive income. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidences that a financial asset is credit-impaired include observable data about the following events:

Significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(v) Presentation of impairment of expected credit loss

In order to reflect the changes of credit risk of financial instrument since initial recognition, the Company shall at each reporting date remeasure the expected credit loss and recognise in profit or loss, as an impairment gain or loss, the amount of expected credit losses addition (or reversal). For financial asset at amortised cost, the loss allowance shall reduce the carrying amount of the financial asset in the statement of financial position; for debt investment at fair value through other comprehensive income, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

(vi) Write-off

The Company shall directly reduce the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the contractual cash flow of a financial asset in its entirety or a portion thereof. Such write-off constitutes a derecognition of the financial asset. This circumstance usually occurs when the Company determines that the debtor has no assets or sources of income that could generate sufficient cash flow to repay the write-off amount.

Recovery of financial asset written off shall be recognised in profit or loss as reversal of

impairment loss.

(f) Transfer of financial assets

Transfer of financial assets refers to following two situations:

- Transfers the contractual rights to receive the cash flows of the financial asset;
- Transfers the entire or a part of a financial asset and retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(i) Derecognition of transferred assets

If the Company transfers substantially all the risks and rewards of ownership of the financial asset, or neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset, the financial asset shall be derecognised.

Whether the Company has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company has not retained control.

The Company judges whether the transfer of financial asset qualifies for derecognition based on the substance of the transfer.

If the transfer of financial asset qualifies for derecognition in its entirety, the difference between the following shall be recognised in profit or loss:

- The carrying amount of transferred financial asset;
- The sum of consideration received and the part derecognised of the cumulative changes in fair value previously recognised in other comprehensive income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income in accordance with Article 18 of the *Accounting Standards for Business Enterprises - Recognition and Measurement of Financial Instruments*).

If the transferred asset is a part of a larger financial asset and the part transferred qualifies for derecognition, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised (For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised) and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. The difference between following two amounts shall be recognised in profit or loss:

- The carrying amount (measured at the date of derecognition) allocated to the part derecognised;
- The sum of the consideration received for the part derecognised and part derecognised of the cumulative changes in fair value previously recognised in other comprehensive

income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income in accordance with Article 18 of *the Accounting Standards for Business Enterprises - Recognition and Measurement of Financial Instruments*).

(ii) Continuing involvement in transferred assets

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the Company shall continue to recognise the transferred asset to the extent of its continuing involvement and also recognise an associated liability.

The extent of the Company's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset

(iii) Continue to recognise the transferred assets

If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company shall continue to recognise the transferred asset in its entirety and the consideration received shall be recognised as a financial liability.

The financial asset and the associated financial liability shall not be offset. In subsequent accounting period, the Company shall continuously recognise any income (gain) arising from the transferred asset and any expense (loss) incurred on the associated liability.

(g) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset. When meets the following conditions, financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position:

The Company currently has a legally enforceable right to set off the recognised amounts; The Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the Company shall not offset the transferred asset and the associated liability.

(h) Determination of fair value of financial instruments

Determination of fair value of financial assets and financial liabilities please refer to Note 4.10.

4.10 Fair Value Measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company determines fair value of the related assets and liabilities based on market value in the principal market, or in the absence of a principal market, in the most advantageous

market price for the related asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The principal market is the market in which transactions for an asset or liability take place with the greatest volume and frequency. The most advantageous market is the market which maximizes the value that could be received from selling the asset and minimizes the value which is needed to be paid in order to transfer a liability, considering the effect of transport costs and transaction costs both.

If the active market of the financial asset or financial liability exists, the Company shall measure the fair value using the quoted price in the active market. If the active market of the financial instrument is not available, the Company shall measure the fair value using valuation techniques.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

- Valuation techniques

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, including the market approach, the income approach and the cost approach. The Company shall use valuation techniques consistent with one or more of those approaches to measure fair value. If multiple valuation techniques are used to measure fair value, the results shall be evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

When using the valuation technique, the Company shall give the priority to relevant observable inputs. The unobservable inputs can only be used when relevant observable inputs is not available or practically would not be obtained. Observable inputs refer to the information which is available from market and reflects the assumptions that market participants would use when pricing the asset or liability. Unobservable Inputs refer to the information which is not available from market and it has to be developed using the best information available in the circumstances from the assumptions that market participants would use when pricing the asset or liability.

- Fair value hierarchy

To Company establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to Level 1 inputs and second to the Level 2 inputs and the lowest priority to Level 3 inputs. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

As at each balance sheet date, the Company reassesses the assets and liabilities recognized in the financial statements that continue to be measured at fair value to determine whether there is a transition between fair value measurement levels.

4.11 Hedge Accounting

(a) Classification

The Company classifies hedge into fair value hedge, cash flow hedge, and net investment hedge in a foreign operation.

(i) A fair value hedge is a hedge of the exposure to changes in fair values of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, which is attributed to a particular risk and could affect the Company's profit or loss or other comprehensive income.

(ii) A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributed to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect the Company's profit or loss.

(iii) A net investment hedge in a foreign operation is a hedge of the foreign exchange risk arising from net investment in a foreign operation. The hedged exposure of a net investment hedge in a foreign operation is the translation difference between the functional currency of the foreign operation and that of the parent company.

(b) Hedging instruments and hedged items

Hedging instrument refers to a financial instrument which is designated by the Company for hedging and by which it is expected that changes in its fair value or cash flow can offset the changes in fair value or cash flow of the hedged item, including:

(i) Derivatives measured at fair value through profit or loss except for written option. A written option does not qualify as a hedging instrument unless it is designated as an offset to a purchased option (including one that is embedded in a hybrid contract) Derivatives embedded in a hybrid contract but not separated cannot qualify as a single hedging instrument.

(ii) A non-derivative financial asset or a non-derivative financial liability measured at fair value through profit or loss may be designated as a hedging instrument unless it is a financial liability designated as at fair value through profit or loss for which the amount of its change in fair value that is attributable to changes in the credit risk of that liability is presented in other comprehensive income.

The self-owned equity instruments are not financial assets or financial liabilities of the Company and therefore cannot be designated as hedging instruments.

A Hedged item refers to the item which exposes the Company to risk of changes in fair value or future cash flows and is designated as the hedged objectives and can be reliably measured. The Company designated following single item, a group of items or a component of such an

item or group of items as hedged items:

(i) Recognised asset or liability

(ii) Unrecognised firm commitment. Firm commitment refers to a binding agreement for the exchange of a specified quantity of resource at a specified price on a specified future date or dates.

(iii) Highly probable forecast transaction. Forecast transaction refers to an uncommitted but anticipated future transaction.

(iv) Net investment in a foreign operation

A component comprises less than the entire fair value change or cash flow variability of an item. In that case, an entity may designate only the following types of components (including combinations) as hedged items:

(i) Only changes in the cash flows or fair value of an item attributable to a specific risk or risks (risk component), provided that, based on an assessment within the context of the particular market structure, the risk component is separately identifiable and reliably measurable.

(ii) One or more selected contractual cash flows.

(iii) Component of a nominal amount, ie a specified part of the overall amount or quantity of an item, it could be a proportion of an entire item or a layer component. A layer component that includes a prepayment option is not eligible to be designated as a hedged item in a fair value hedge if the prepayment option's fair value is affected by changes in the hedged risk, unless the designated layer includes the effect of the related prepayment option when determining the change in the fair value of the hedged item.

(c) Assessment of hedging relationship

At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. An entity shall assess at the inception of the hedging relationship, and on an ongoing basis, whether a hedging relationship meets the hedge effectiveness requirements.

The Company shall discontinue the hedge accounting if: hedging instrument expires or is sold, terminated or exercised (the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy); or the hedging relationship no longer meets the risk management objective because of the changes of it; there is no longer an economic

relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship; or the hedge no longer meets the other criteria for hedge accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Company shall rebalance the hedging relationship.

(d) Recognition and measurement

When meet the strict criteria of hedge accounting method, it shall be accounted for as follows:

(i) Fair value hedge

The gain or loss on the hedging instrument shall be recognised in profit or loss, or other comprehensive income, if the hedging instrument hedges a non-trading equity instrument for which an entity has elected to present changes in fair value in other comprehensive income. The gain or loss on the hedged item that are attributable to a hedged risk exposure shall be recognised in profit or loss and adjust the carrying amount of the hedged item not measured at fair value. If the hedged items are non-trading equity instrument (or a component thereof) designated as fair value through other comprehensive income, gain or loss attributable to a hedged risk exposure shall be recognised in other comprehensive income with no adjustment needed to the carrying amount already measured at fair value.

When a hedged item in a fair value hedge is a financial instrument (or a component thereof) measured at amortised cost, the adjustment of the carrying amount shall be amortised based on a recalculated effective interest rate at the date that amortisation begins and recognised in profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for hedging gains and losses. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, amortisation applies in the same manner but to the amount that represents the cumulative gain or loss previously recognised instead of by adjusting the carrying amount.

When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item arising from the hedged risk subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss. When acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised.

(ii) Cash flow hedges

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be included in the cash flow hedge reserve and recognised in other comprehensive income, and any remaining gain or loss on the hedging instrument (other gain or loss other

than recognised in other comprehensive income) is hedge ineffectiveness that shall be recognised in profit or loss. Cash flow hedge reserve is determined based on the lower of the following two absolute amounts: i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and ii) the cumulative change in present value of the hedged expected future cash flows from inception of the hedge.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve of which previously recognised in other comprehensive income and include it directly in the initial cost or other carrying of the asset or the liability. For cash flow hedges other than above mentioned, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss, for example, in the periods when a forecast sale occurs.

(iii) Net investment hedge in a foreign operation

For hedges of a net investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income and the ineffective portion shall be recognised in profit or loss. The cumulative gain or loss on the hedging instrument recognised in other comprehensive income mentioned above shall be reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

4.12 Inventories

(a) Classification of inventories

Inventories are finished goods or products held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services, including raw materials, semi-finished goods, commodity stocks, consigned processing materials, finished goods, goods shipped in transit, consumptive biological assets, contract fulfillment costs, development cost, development products, low-value consumables and turnover material, etc.

(b) Measurement method of cost of inventories sold or used

The cost of raw materials, semi-finished goods, finished goods and consigned processing materials used or sold is determined on the weighted average or individual valuation method basis.

Inventories of real estate development are initially measured at actual cost. The actual cost of development products includes land transaction fee, infrastructure fee, construction and installation cost, borrowing costs incurred before the completion of development projects, and other related expenses incurred during the development process. When the development product is delivered, the actual cost is determined using the individual valuation method.

Such travel expenses and bidding fees incurred in securing a contract shall be included in the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained; otherwise shall be recognised in profit or loss.

(c) Inventory system

The perpetual inventory system is adopted. The inventories should be counted at least once a year, and surplus or losses of inventory stocktaking shall be included in current profit and loss.

(d) Recognition Criteria and Provision for impairment of inventory

Inventories are stated at the lower of cost and net realizable value. The excess of cost over net realizable value of the inventories is recognised as provision for impairment of inventory, and recognised in current profit or loss.

Net realizable value of the inventory should be determined on the basis of reliable evidence obtained, and factors such as purpose of holding the inventory and impact of post balance sheet event shall be considered.

(i) In normal operation process, finished goods, products and materials for direct sale, their net realizable values are determined at estimated selling prices less estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices. Net realizable value of materials held for sale shall be measured based on market price.

(ii) For materials in stock need to be processed, in the ordinary course of production and business, net realisable value is determined at the estimated selling price less the estimated costs of completion, the estimated selling expenses and relevant taxes. If the net realisable value of the finished products produced by such materials is higher than the cost, the materials shall be measured at cost; if a decline in the price of materials indicates that the cost of the finished products exceeds its net realisable value, the materials are measured at net realisable value and differences shall be recognised at the provision for impairment.

(iii) Provisions for inventory impairment are generally determined on an individual basis. For inventories with large quantity and low unit price, the provisions for inventory impairment are determined on a category basis.

(iv) If any factor rendering write-downs of the inventories has been eliminated at the reporting date, the amounts written down are recovered and reversed to the extent of the inventory impairment, which has been provided for. The reversal shall be included in profit or loss

(e) Amortisation method of low-value consumables and turnover material

Low-value consumables and turnover material: One-off writing off method is adopted

4.13 Contract Assets and Contract Liabilities

The Company shall present contract assets or contract liabilities in the statement of financial position, depending on the relationship between the Company's satisfying a performance obligation and the customer's payment. A contract asset shall be presented if the Company has the right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. A contract liability shall be presented if the Company has the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer.

Method of determination and accounting for expected credit loss for contract assets please refer to Note 3.10.

Contract assets and contract liabilities shall be presented separately in the statement of financial position. The contract asset and contract liability for the same contract shall be presented on a net basis. A net balance shall be listed in the item of "Contract assets" or "Other non-current assets" according to its liquidity; a credit balance shall be listed in the item of "Contract liabilities" or "Other non-current liabilities" according to its liquidity. Contract assets and contract liabilities for different contracts cannot be offset.

4.14 Contract costs

Contract costs include costs to fulfill a contract and the costs to obtain a contract.

The Company shall recognise an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

- (i) the costs relate directly to a contract or to an anticipated contract, including: direct labour, direct materials, manufacturing costs (or similar costs), costs that are explicitly chargeable to the customer under the contract and other costs that are incurred only because an entity entered into the contract;
- (ii) the costs enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- (iii) the costs are expected to be recovered.

The incremental costs of obtaining a contract shall be recognised as an asset if the Company expects to recover them.

An asset related to contract costs shall be amortised on a systematic basis that is consistent with the revenue recognition of the goods or services to which the asset relates. The Company recognises the contract acquisition costs as an expense when incurred if the amortisation period of the asset that the Company otherwise would have recognised is one year or less.

The Company shall accrue the provision for impairment, recognise an impairment loss in profit or loss to the extent that the carrying amount of an asset related to the contract cost exceeds the difference of below two items, and further consider whether the estimated

liability related to the onerous contract needs to be accrued:

- (i) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates; less
- (ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

The Company shall recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

Providing that the costs to fulfil a contract satisfy the requirement to be recognised as an asset, the Company shall present them in the account "Inventory" if the contract has an original expected duration of one year (or a normal operating cycle) or less, or in the account "Other non-current assets" if the contract has an original expected duration of more than one year (or a normal operating cycle).

Providing that the costs to obtain a contract satisfy the requirement to be recognised as an asset, the Company shall present them in the account "Other current asset" if the contract has an original expected duration of one year (or a normal operating cycle) or less, or in the account "Other non-current assets" if the contract has an original expected duration of more than one year (or a normal operating cycle).

4.15 Long-term Equity Investments

Long-term equity investments refer to equity investments where an investor has control of, or significant influence over, an investee, as well as equity investments in joint ventures. Associates of the Company are those entities over which the Company has significant influence.

(a) Determination basis of joint control or significant influence over the investee

Joint control is the relevant agreed sharing of control over an arrangement, and the arranged relevant activity must be decided under unanimous consent of the parties sharing control. In assessing whether the Company has joint control of an arrangement, the Company shall assess first whether all the parties, or a group of the parties, control the arrangement. When all the parties, or a group of the parties, considered collectively, are able to direct the activities of the arrangement, the parties control the arrangement collectively. Then the Company shall assess whether decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. If two or more groups of the parties could control the arrangement collectively, it shall not be assessed as have joint control of the arrangement. When assessing the joint control, the protective rights are not considered.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. In determination of

significant influence over an investee, the Company should consider not only the existing voting rights directly or indirectly held but also the effect of potential voting rights held by the Company and other entities that could be currently exercised or converted, including the effect of share warrants, share options and convertible corporate bonds that issued by the investee and could be converted in current period.

If the Company holds, directly or indirectly 20% or more but less than 50% of the voting power of the investee, it is presumed that the Company has significant influence of the investee, unless it can be clearly demonstrated that in such circumstance, the Company cannot participate in the decision-making in the production and operating of the investee.

(b) Determination of initial investment cost

(i) Long-term equity investments generated in business combinations

For a business combination involving enterprises under common control, if the Company makes payment in cash, transfers non-cash assets or bears liabilities as the consideration for the business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For a business combination involving enterprises under common control, if the Company issues equity securities as the consideration for the business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The total par value of the shares issued is recognised as the share capital. The difference between the initial investment cost and the carrying amount of the total par value of the shares issued shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For business combination not under common control, the assets paid, liabilities incurred or assumed and the fair value of equity securities issued to obtain the control of the acquiree at the acquisition date shall be determined as the cost of the business combination and recognised as the initial cost of the long-term equity investment. The audit, legal, valuation and advisory fees, other intermediary fees, and other relevant general administrative costs incurred for the business combination, shall be recognised in profit or loss as incurred.

(ii) Long-term equity investments acquired not through the business combination, the investment cost shall be determined based on the following requirements:

For long-term equity investments acquired by payments in cash, the initial cost is the actually paid purchase cost, including the expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments.

For long-term equity investments acquired through issuance of equity securities, the initial cost is the fair value of the issued equity securities.

For the long-term equity investments obtained through exchange of non-monetary assets, if the exchange has commercial substance, and the fair values of assets traded out and traded in can be measured reliably, the initial cost of long-term equity investment traded in with non-monetary assets are determined based on the fair values of the assets traded out together with relevant taxes. Difference between fair value and book value of the assets traded out is recorded in current profit or loss. If the exchange of non-monetary assets does not meet the above criterion, the book value of the assets traded out and relevant taxes are recognised as the initial investment cost.

For long-term equity investment acquired through debt restructuring, the initial cost is determined based on the fair value of the equity obtained and the difference between initial investment cost and carrying amount of debts shall be recorded in current profit or loss.

(c) Subsequent measurement and recognition of profit or loss

Long-term equity investment to an entity over which the Company has ability of control shall be accounted for at cost method. Long-term equity investment to a joint venture or an associate shall be accounted for at equity method.

(i) Cost method

For Long-term equity investment at cost method, cost of the long-term equity investment shall be adjusted when additional amount is invested or a part of it is withdrawn. The Company recognises its share of cash dividends or profits which have been declared to distribute by the investee as current investment income.

(ii) Equity method

If the initial cost of the investment is in excess of the share of the fair value of the net identifiable assets in the investee at the date of investment, the difference shall not be adjusted to the initial cost of long-term equity investment; if the initial cost of the investment is in short of the share of the fair value of the net identifiable assets in the investee at the date investment, the difference shall be included in the current profit or loss and the initial cost of the long-term equity investment shall be adjusted accordingly.

The Company recognises the share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment shall be reduced by the share of any profit or cash dividends declared to distribute by the investee. The investor's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, shall be recognised in the investor's equity, and the carrying amount of the long-term equity investment shall be adjusted accordingly. The Company recognises its share of the investee's net profits or losses after

making appropriate adjustments of investee's net profit based on the fair values of the investee's identifiable net assets at the investment date. If the accounting policy and accounting period adopted by the investee is not in consistency with the Company, the financial statements of the investee shall be adjusted according to the Company's accounting policies and accounting period, based on which, investment income or loss and other comprehensive income, etc., shall be adjusted. The unrealized profits or losses resulting from inter-company transactions between the company and its associate or joint venture are eliminated in proportion to the company's equity interest in the investee, based on which investment income or losses shall be recognised. Any losses resulting from inter-company transactions between the investor and the investee, which belong to asset impairment, shall be recognised in full.

Where the Company obtains the power of joint control or significant influence, but not control, over the investee, due to additional investment or other reason, the relevant long-term equity investment shall be accounted for by using the equity method, initial cost of which shall be the fair value of the original investment plus the additional investment. Where the original investment is classified as other equity investment, difference between its fair value and the carrying value, in addition to the cumulative changes in fair value previously recorded in other comprehensive income, shall be recognised into retained earnings of the period of using equity method.

If the Company loses the joint control or significant influence of the investee for some reasons such as disposal of equity investment, the retained interest shall be measured at fair value and the difference between the carrying amount and the fair value at the date of loss the joint control or significant influence shall be recognised in profit or loss. When the Company discontinues the use of the equity method, the Company shall account for all amounts previously recognised in other comprehensive income under equity method in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

(e) Impairment testing and provision for impairment loss

For investment in subsidiaries, associates or a joint ventures, provision for impairment loss please refer to Note 3.22.

4.16 Investment Properties

(a) Classification of investment properties

Investment properties are properties to earn rentals or for capital appreciation or both, including:

- (i) Land use right leased out
- (ii) Land held for transfer upon appreciation
- (iii) Buildings leased out

(b) The measurement model of investment property

The Company adopts the cost model for subsequent measurement of investment properties. For provision for impairment please refer to Note 4.22.

The Company calculates the depreciation or amortization based on the net amount of investment property cost less the accumulated impairment and the net residual value using straight-line method.

4.17 Fixed Assets

Fixed assets refer to the tangible assets with higher unit price held for the purpose of producing commodities, rendering services, renting or business management with useful lives exceeding one year.

(a) Recognition criteria of fixed assets

Fixed assets will only be recognised at the actual cost paid when obtaining as all the following criteria are satisfied:

- (i) It is probable that the economic benefits relating to the fixed assets will flow into the Company;
- (ii) The costs of the fixed assets can be measured reliably.

Subsequent expenditure for fixed assets shall be recorded in cost of fixed assets, if recognition criteria of fixed assets are satisfied, otherwise the expenditure shall be recorded in current profit or loss when incurred.

(b) Depreciation methods of fixed assets

The Company begins to depreciate the fixed asset from the next month after it is available for intended use using the straight-line-method. The estimated useful life and annual depreciation rates which are determined according to the categories, estimated economic useful lives and estimated net residual rates of fixed assets are listed as followings:

Category	Estimated useful life (year)	Residual rates (%)	Annual depreciation rates (%)
Plant and buildings	20~50	0~10.00	1.80~5.00
Fixture and other facilities	3~50	0~5.00	1.90~33.33
Machinery equipment (Note)	2~30	0~40.00, Estimated equipment residual value	2.00~25.00
Transportation equipment - Ship	10~25	0~10.00	3.60~10.00
Transportation equipment - Other than ship	4~8	0~10.00	11.25~25.00
Electronic equipment and office equipment	3~10	0~10.00	9.00~33.33
Others	3~5	0~10.00	18.00~33.33

Note: This category includes aluminum mouldboard, and the depreciation period is 4 years. The estimated residual value of the equipment is calculated by referring to the average price of aluminum ingots of "Shanghai Metals Market" in the past five years.

For the fixed assets with impairment provided, the impairment provision should be excluded from the cost when calculating depreciation.

At the end of reporting period, the Company shall review the useful life, estimated net residual value and depreciation method of the fixed assets. Estimated useful life of the fixed assets shall be adjusted if it is changed compared to the original estimation.

(f) Impairment of Fixed Assets

For fixed assets, the methods for impairment testing of fixed assets and the criteria for recognizing impairment provisions please refer to Note 4.22

4.18 Construction in Progress

(a) Initial Measurement of Construction in Progress

The cost of construction in progress is determined based on the actual expenditures incurred, including all necessary project expenses during the construction period, borrowing costs that should be capitalized before the project reaches its intended usable state, and other related costs.

(b) Recognition criteria and timing of transfer from construction in progress to fixed assets

The initial book values of the fixed assets are stated at total expenditures incurred before they are ready for their intended use, including construction costs, original price of machinery equipment, other necessary expenses incurred to bring the construction in progress to get ready for its intended use and borrowing costs of the specific loan for the construction or the proportion of the general loan used for the constructions incurred before they are ready for their intended use. The construction in progress shall be transferred to fixed asset when the installation or construction is ready for the intended use. For construction in progress that has been ready for their intended use but relevant budgets for the completion of projects have not been completed, the estimated values of project budgets, prices, or actual costs should be included in the costs of relevant fixed assets, and depreciation should be provided according to relevant policies of the Company when the fixed assets are ready for intended use. After the completion of budgets needed for the completion of projects, the estimated values should be substituted by actual costs, but depreciation already provided is not adjusted.

(c) Impairment of Construction in Progress

For construction in progress, the methods for impairment of fixed assets please refer to Note 4.22

4.19 Borrowing Costs

(a) Recognition criteria and period for capitalization of borrowing costs

The Company shall capitalize the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets when meet the following conditions:

- (i) Expenditures for the asset are being incurred;
- (ii) Borrowing costs are being incurred, and;
- (iii) Acquisition, construction or production activities that are necessary to prepare the assets for their intended use or sale are in progress.

Other borrowing cost, discounts or premiums on borrowings and exchange differences on foreign currency borrowings shall be recognized into current profit or loss when incurred.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally and the interruption is for a continuous period of more than 3 months.

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. The expenditure incurred subsequently shall be recognised as expenses when incurred.

(b) Capitalization rate and measurement of capitalized amounts of borrowing costs

When funds are borrowed specifically for purchase, construction or manufacturing of assets eligible for capitalization, the Company shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income on bank deposit or investment income on the temporary investment of those borrowings.

Where funds allocated for purchase, construction or manufacturing of assets eligible for capitalization are part of a general borrowing, the eligible amounts are determined by the weighted-average of the cumulative capital expenditures in excess of the specific borrowing multiplied by the general borrowing capitalization rate. The capitalisation rate will be the weighted average of the borrowing costs applicable to the general borrowing.

4.20 Biological Assets

(a) Recognition criteria of biological assets

A biological asset is a living animal or plant. The Company recognises a biological asset when all of the following criteria are satisfied:

- (i) The Company owns or controls the asset as a result of past events;
- (ii) It is probable that future economic benefits associated with the asset will flow to the Company; and;
- (iii) The fair value or cost of the asset can be measured reliably.

(b) Classification of biological assets

Biological assets of the Company include consumptive biological assets.

The consumptive biological assets refer to the biological assets held for sale, or biological assets to be harvested as agricultural products in the future. The consumptive biological assets are initially measured at cost. The costs of any consumptive biological assets by way of self-planting, self-cultivating, self-breeding shall be determined as necessary expenses directly attributable to the assets incurred prior to the canopy closure, including borrowing cost eligible for capitalisation. The subsequent expenses for the management and protection or for the breeding of consumptive biological asset after canopy closure shall be included in profit or loss.

The cost of a consumptive biological asset shall, at the time of harvest or sale, be carried over in accordance with its book value using stock volume proportion method/ fixed number of years within rotational felling period method.

(c) Impairment of biological assets

If the net realizable value of consumable biological assets is less than the carrying amount, make provision for diminution and recognize it in profit or loss according to the difference between the net realizable value and the carrying amount. If the factors of consumable biological asset impairment have disappeared, the reduced amount should be restored and reversed in provision for diminution, the amount which has been reversed is recognized in profit or loss.

4.21 Intangible Assets

(a) Measurement method of intangible assets

Intangible assets are recognised at actual cost at acquisition.

(b) The useful life and amortisation of intangible assets

(i) The estimated useful lives of the intangible assets with finite useful lives are as follows:

Category	Estimated useful life	Basis
Land use right	50 years or beneficial period	the straight-line-method
Coastal Land Use Rights	50 years or beneficial period	the straight-line-method
Software	2-10 years or beneficial period	the straight-line-method
Patent	Beneficial period	the straight-line-method
Know-how	Beneficial period	the straight-line-method
Forest right	Carried forward according to actual of logging	/
Other	Beneficial Period	the straight-line-method

For intangible assets with finite useful life, the estimated useful life and amortisation method

are reviewed annually at the end of each reporting period and adjusted when necessary. No change incurs in current year in the estimated useful life and amortisation method upon review.

(ii) Assets of which the period to bring economic benefits to the Company are unforeseeable are regarded as intangible assets with indefinite useful lives. The Company reassesses the useful lives of those assets at every year end. If the useful lives of those assets are still indefinite, impairment test should be performed on those assets at the balance sheet date.

(iii) Amortisation of the intangible assets

For intangible assets with finite useful lives, their useful lives should be determined upon their acquisition and systematically amortised on a straight-line basis over the useful life. The amortisation amount shall be recognized in profit or loss for the current period based on the beneficial items or included in the cost of related assets. The amount to be amortised is cost deducting residual value. For intangible assets which has impaired, the cumulative impairment provision shall be deducted as well. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless: there is a commitment by a third party to purchase the asset at the end of its useful life; or there is an active market for the asset and residual value can be determined by reference to that market; and it is probable that such a market will exist at the end of the asset's useful life.

Intangible assets with indefinite useful lives shall not be amortised. The Company reassesses the useful lives of those assets at every year end. If there is evidence to indicate that the useful lives of those assets become finite, the useful lives shall be estimated and the intangible assets shall be amortised systematically and reasonably within the estimated useful lives.

(c) Impairment of Intangible Assets

For intangible assets, the methods for impairment of intangible assets please refer to Note 4.22

(d) Criteria of classifying expenditures on internal research and development projects into research phase and development phase

Preparation activities related to materials and other relevant aspects undertaken by the Company for the purpose of further development shall be treated as research phase.

Expenditures incurred during the research phase of internal research and development projects shall be recognised in profit or loss when incurred.

Development activities after the research phase of the Company shall be treated as development phase.

(e) Criteria for capitalization of qualifying expenditures during the development phase

Expenditures arising from development phase on internal research and development projects shall be recognised as intangible assets only if all of the following conditions have been met:

(i) Technical feasibility of completing the intangible assets so that they will be available for

use or sale;

(ii) Its intention to complete the intangible asset and use or sell it;

(iii) The method that the intangible assets generate economic benefits, including the Company can demonstrate the existence of a market for the output of the intangible assets or the intangible assets themselves or, if it is to be used internally, the usefulness of the intangible assets;

(iv) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(v) Its ability to measure reliably the expenditure attributable to the intangible asset.

4.22 Impairment of Long-Term Assets

Impairment loss of long-term equity investment in subsidiaries, associates and joint ventures, investment properties subsequently measured at cost, fixed assets, constructions in progress, productive biological assets measured at cost, intangible assets, right of use assets, goodwill, and other relevant facilities (excluding inventories, deferred tax assets, financial assets), shall be determined according to following method:

The Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset and test for impairment. Irrespective of whether there is any indication of impairment, the Company shall test for impairment of goodwill acquired in a business combination, intangible assets with an indefinite useful life or intangible assets not yet available for use annually.

The recoverable amounts of the long-term assets are the higher of their fair values less costs to dispose and the present values of the estimated future cash flows of the long-term assets. The Company estimate the recoverable amounts on an individual basis. If it is difficult to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the groups of assets that the individual asset belongs to. Identification of a group of asset is based on whether the cash inflows from it are largely independent of the cash inflows from other assets or groups of assets.

If, and only if, the recoverable amount of an asset or a group of assets is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount and the provision for impairment loss shall be recognised accordingly.

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to relevant group of assets based on reasonable method; if it is difficult to allocate to relevant group of assets, good will shall be allocated to relevant combination of asset groups. The relevant group of assets or combination of asset groups is a group of assets or combination of asset groups that is benefit from the synergies of the business combination and is not larger than the reporting segment determined by the Company.

When test for impairment, if there is an indication that relevant group of assets or combination of asset groups may be impaired, impairment testing for group of assets or combination of asset groups excluding goodwill shall be conducted first, and the recoverable amount shall be then calculated and the impairment loss shall be recognised accordingly. Then the group of assets or combination of asset groups including goodwill shall be tested for impairment, by comparing the carrying amount with its recoverable amount. If the recoverable amount is less than the carrying amount, the Company shall recognise the impairment loss.

The mentioned impairment loss will not be reversed in subsequent accounting period once it had been recognised.

4.23 Long-term Deferred Expenses

Long-term deferred expenses are various expenses already incurred, which shall be amortised over current and subsequent periods with the amortisation period exceeding one year.

Long-term deferred expenses are evenly amortised over the beneficial period.

4.24 Employee Benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to an employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

According to liquidity, employee benefits are presented in the statement of financial position as "Employee benefits payable" and "Long-term employee benefits payable".

(a) Short-term employee benefits

(i) Employee basic salary (salary, bonus, allowance, subsidy)

The Company recognises, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to current profit except for those recognised as capital expenditure based on the requirement of accounting standards.

(ii) Employee welfare

The Company shall recognise the employee welfare based on actual amount when incurred into current profit or loss or related capital expenditure. Employee welfare shall be measured at fair value as it is a non-monetary benefits.

(iii) Social insurance such as medical insurance, work injury insurance and maternity insurance, housing funds, labor union fund and employee education fund

Payments made by the Company of social insurance for employees, such as medical insurance,

work injury insurance and maternity insurance, payments of housing funds, and labor union fund and employee education fund accrued in accordance with relevant requirements, in the accounting period in which employees provide services, is calculated according to required accrual bases and accrual ratio in determining the amount of employee benefits and the related liabilities, which shall be recognised in current profit or loss or the cost of relevant asset.

(iv) Short-term paid absences

The company shall recognise the related employee benefits arising from accumulating paid absences when the employees render service that increases their entitlement to future paid absences. The additional payable amounts shall be measured at the expected additional payments as a result of the unused entitlement that has accumulated. The Company shall recognise relevant employee benefit of non-accumulating paid absences when the absences actually occurred.

(b) Post-employment benefits

Defined contribution plans

The Company shall recognise, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the current profit or loss or the cost of a relevant asset.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they shall be discounted using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined contribution obligations) to measure employee benefits payable.

(c) Termination benefits

The Company providing termination benefits to employees shall recognise an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss of the reporting period, at the earlier of the following dates:

- (i) When the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal.
- (ii) When the Company recognises costs or expenses related to a restructuring that involves the payment of termination benefits.

If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, the Company shall discount the termination benefits using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined benefit obligations) to

measure the employee benefits.

Meet the conditions of the defined contribution plan

When other long-term employee benefits provided by the Company to the employees satisfies the conditions for classifying as a defined contribution plan, all those benefits payable shall be accounted for as employee benefits payable at their discounted value.

In order to simplify the accounting treatment, the net amount of above items shall be recognised in profit or loss or relevant cost of assets.

4.26 Share-based Payments

(a) Classification of share-based payments

Share-based payments of the Company include equity-settled share-based payments and cash-settled share-based payments.

(b) Determining fair value of equity instruments

(i) The fair value of shares granted to the employees can be determined by reference to the quotations in the active market, adjusted in accordance with the terms and conditions granted (excluding vesting conditions other than market conditions).

(ii) For share option granted to the employees, it is usually difficult to obtain its market price. If the share option with similar terms and conditions is not available, the Company estimates the fair value of those options using an applicable option pricing model.

(c) Basis of best estimate of equity instruments expected to vest

Every balance sheet date during the vesting period, the Company makes best estimate according to the most updated number of employees that are eligible to exercise their options and revises the number of equity instruments expected to vest in order to make the best estimate of equity instruments expected to vest.

(d) Accounting for implementation of share-based payment programs

Cash-settled share-based payment

(i) For cash-settled share-based payment vested immediately after granting, the Company shall recognise relevant costs or expenses at the fair value of the liability borne at grant date and a corresponding increase in liability. Until the liability is settled, the Company shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss.

(ii) If the share instrument do not vest until services during the vesting period are completed or performance conditions are satisfied during the vesting period, at the end of each reporting period during the vesting period, the Company shall recognise relevant costs or expenses and the corresponding increase in liability for services received in the reporting period at the fair value of the liability borne, based on the best available estimate of the number expected to vest.

Equity-settled share-based payment

(i) For equity-settled share-based payment transaction in which services are received, if the equity instrument granted vest immediately, the Company shall recognise relevant costs or expenses at the fair value of the equity instruments at grant date and the corresponding increase in capital reserve.

(ii) If the equity instrument do not vest until services during the vesting period are completed or performance conditions are satisfied, at the end of each reporting period during the vesting period, the Company shall recognise relevant costs or expenses and the corresponding increase in capital reserve for services received in the reporting period at the fair value of the equity instruments at grant date, based on the best available estimate of the number of equity instruments expected to vest.

(e) Accounting for modification of share-based payment programs

When the Company modifies terms and conditions of the share-based payment program, if the modification increases the fair value of the equity instruments granted, the increased amount should be recognised for service received accordingly; if the quantity granted of the equity instruments is increased, the increased amount should be recognised for service received accordingly as well. If the modification reduces the total fair value of the share-based payment arrangement, or the terms are changed in such a way that the arrangement is no longer for the benefit of the employee, the entity is still required to account for the services received as consideration for the equity instruments granted as if that modification had not occurred unless a part or all of the equity instruments are cancelled.

(f) Accounting for termination of share-based payment programs

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company shall:

(i) Account for the cancellation or settlement as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

(ii) Account for any payment made to the employee on the cancellation or settlement of the grant as the repurchase of an equity interest, and recognize any excess of the payment over the fair value of the equity instruments measured at the repurchase date as an expense.

If the Company repurchases vested equity instruments, the payment made to the employee shall be accounted for as a deduction from equity, and recognize any excess of the payment over the fair value of the equity instruments measured at the repurchase date shall be recognised in current profit or loss.

4.26 Bonds Payable

The bonds issued by the Company are initially measured at fair value less transaction costs and are subsequently measured at amortized cost using the effective interest method during

the life of the bonds.

Interest expenses are recognized directly in the current profit or loss, except for those that meet the conditions for capitalization of borrowing costs, which are capitalized.

4.27 Estimated Liabilities

(a) Recognition criteria of estimated liabilities

The Company recognises the estimated liabilities when obligations related to contingencies satisfy all the following conditions:

- (i) That obligation is a current obligation of the Company;
- (ii) It is likely to cause any economic benefit to flow out of the Company as a result of performance of the obligation; and
- (ii) The amount of the obligation can be measured reliably.

(b) Measurement method of estimated liabilities

The estimated liabilities of the Company are initially measured at the best estimate of expenses required for the performance of relevant present obligations. The Company, when determining the best estimate, has had a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. The carrying amount of the estimated liabilities shall be reviewed at the end of every reporting period. If conclusive evidences indicate that the carrying amount fails to be the best estimate of the estimated liabilities, the carrying amount shall be adjusted based on the updated best estimate.

4.28 Other Financial Instrument Such as Preference Share and Perpetual Bonds

The Company classifies other financial instruments, such as preference shares and perpetual bonds, as financial assets, financial liabilities or equity instruments upon initial recognition. This classification is based on the contractual terms and the economic substance of the instruments, rather than their legal form alone, and is consistent with the definitions of financial assets, financial liabilities, and equity instruments.

The Company shall determine the accounting treatment of interest expense or dividend distribution of the financial instruments based on their category. For financial instruments classified as equity instruments, no matter whether the name contains the word of “debt”, the interest expense or dividend distribution shall be treated as the profit distribution of the Company (the issuing company), with the repurchase or cancellation shall be treated as the changes in equity; For financial instruments classified as financial liabilities, no matter whether the name contains the word of “share”, in principle, the interest expense or dividend distribution shall be treated as the borrowing cost, with any gain or loss on the repurchase or cancellation shall be recognised in current profit or loss.

4.29 Revenue

(a) General Principle

Revenue is defined as the gross inflow of economic benefits arising in the course of the ordinary activities of the Company when those inflows result in the increases in shareholders' equity, other than increases relating to contributions from shareholders.

The Company shall recognise revenue when it satisfies a performance obligation in the contract as the customer obtains control of a good or service. Control of a good or service refers to the ability to direct the use of, and obtain substantially all of the remaining economic benefits from, the good or service.

When the contract has two or more obligation performances, the Company shall allocate the transaction price to each performance obligation in proportion to a relative stand-alone selling price at contract inception of the promised good or service underlying each performance obligation in the contract and recognize revenue based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. When determining the transaction price of the contract, if the contract includes a variable consideration, the Company shall determine the best estimate of the variable consideration based on the expected value or the most likely amount and include in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. If the contract contains a significant financing component, the Company shall determine the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the transaction price and the promised consideration shall be amortised using the effective interest method within the contract period. The Company need not consider the effects of a significant financing component if the period between when the Company transfers control of a good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company satisfies a performance obligation over time, if one of the following criteria is met; otherwise a performance obligation is satisfied at a point in time:

- (i) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- (ii) the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- (iii) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Company shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation, unless those progress cannot be reasonably measured. The Company measures the progress of a performance obligation for the service rendered using input methods (or output methods). In some circumstances, the Company cannot be able to reasonably measure the progress of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the progress of the performance obligation.

The Company shall recognise revenue at the point in which a customer obtains control of a promised good or service if a performance obligation is satisfied at a point in time. To determine the point in time at which a customer obtains control of a promised good or service, the Company shall consider indicators of the transfer of control, which include, but are not limited to, the followings:

- (i) The Company has a present right to payment for the good or service – a customer is presently obliged to pay for the good or service;
- (ii) The Company has transferred legal title of an asset to a customer - the customer has legal title to the asset;
- (iii) The Company has transferred physical possession of an asset to a customer - the customer has physical possession of the asset;
- (iv) The Company has transferred the significant risks and rewards of ownership of the asset to a customer - the customer has the significant risks and rewards of ownership of the asset;
- (v) The customer has accepted the asset.

Sale with a right of return

For sales with a right of return, when the customer obtains the control of a product, the Company shall recognise revenue for the transferred products in the amount of consideration to which the Company expects to be entitled and a refund liability at the amounts receivable for which the Company does not expect to be entitled; meanwhile, an asset shall be recognised as receivables on the cost of return measured at the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value to the entity of returned products), and the net amount of the former carrying amount of the product when transferred to the customer less above mentioned cost shall be recorded into the cost of sales. At the end of each reporting period, the Company shall re-assess the expectations about the sales return and remeasure above mentioned assets and liabilities.

Warranties

In accordance with the contract, the law or other requirements, the Company provides a warranty in connection with the sale of a product or construction of a project. For warranties

which provide a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications, the Company shall treat it in accordance with "Accounting Standards for Business Enterprise No. 13-Contingencies". If a warranty, or a part of a warranty, provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Company shall treat it as a performance obligation, and allocate the transaction price to the warranty based on the relative proportion to the stand-alone selling price of the product and the service, and recognise revenue when the customer obtains the control of the service. In assessing whether a warranty provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Company shall consider factors such as: whether the warranty is required by law; the length of the warranty coverage period and the nature of the tasks that the Company promises to perform.

Principal versus agent considerations

The Company determines whether it is a principal or an agent of the transaction on the basis of whether it has control over the goods or services before they are transferred to customers. If the Company obtains the control of the specified goods or services from another party and then transfers the goods or services to the customer, the Company is therefore a principal, and recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or services transferred. Otherwise, the Company is an agent, and shall recognise revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by another party. The fee or commission might be the net amount of received or receivable consideration that the Company retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party or determined based on the specified commission amount or proportion.

Consideration payable to a customer

The Company shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company. The reduction of revenue shall be recognised when (or as) the later of either of the following events occurs: the Company recognises revenue for the transfer of the related goods or services to the customer; and the Company pays or promises to pay the consideration.

Customers' unexercised rights

Upon receipt of a prepayment for a good or service from a customer, the Company shall recognise a contract liability in the amount of the prepayment and recognise revenue when it satisfies its performance obligation. If the prepayment to the Company is non-refundable and the customer may not exercise part or all of its contractual rights, and the Company expects to be entitled to a breakage amount related to those unexercised rights of the customer, the Company shall recognise the expected breakage amount as revenue in proportion to the

pattern of rights exercised by the customer; otherwise, the Company shall recognise the remaining balance of above mentioned liability as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

Contract modifications

When the construction contract modifications exist between the Company and the customer:

- (i) The Company shall account for a contract modification as a separate contract if the modification results in the addition of promised construction services that are distinct and increase of the price of the contract, and the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling prices of the additional promised construction services;
- (ii) If the contract modification is not accounted for as a separate contract in accordance with above mentioned circumstance, and the remaining construction services are distinct from the construction services transferred on or before the date of the contract modification, the Company shall account for the contract modification as if it were a termination of the existing contract and the creation of a new contract with the combination of the remaining performance obligations of the existing contract and the contract modification.
- (iii) If the contract modification is not accounted for as a separate contract in accordance with above mentioned circumstance, and the remaining construction services cannot be distinct from the construction services transferred on or before the date of the contract modification, the Company shall account for the contract modification as if it were a part of the existing contract and the effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue at the date of the contract modification.

(b) Specific Method

Revenue recognition methods of the Company are as follows:

(i) Contract of sales of goods

The Company has transferred the promised goods to the customer according to the contract and the customer has accepted the goods; the payment has been received or the receipt voucher has been obtained and it is highly probable that the economic benefits associated will flow into the Company; the rewards of ownership of the asset has been transferred; legal title of the asset has been transferred.

(ii) Contract of rendering services

As the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs, the Company shall treat it as a performance obligation satisfied over time and recognise revenue on a straight-line basis throughout the performance period.

(iii) Construction contract

If the performance conditions are met within a certain period of time, the Company will recognize revenue in accordance with the progress of the contract within that period of time. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be measured, the revenue shall be recognized according to the amount of the actual cost incurred until the performance progress can be reasonably determined; if the cost incurred is not expected to be recovered, it shall be immediately recognized as expenses rather than revenue. When the Company's total contract revenue can be reliably measured, the economic benefits related to the contract are likely to flow into the company, the actual contract costs can be clearly distinguished and reliably measured, and the contract completion schedule and the remaining costs to complete the contract can be reliably determined. , It is deemed that the result of the contract can be reasonably foreseeable, and the progress of the performance of the contract can be reasonably determined. If the performance conditions are not met within a certain period of time, the Company will recognize revenue based on the transaction price determined in the contract or delivery documents when the ship is completed and delivered.

(iv) Contract of sales of real estate

The Company satisfies the performance obligation of a sales contract of real estate at a point in time. The revenue of sales of real estate is recognised when the customer obtains the physical possession of the asset or legal title of the completed property or the Company has a present right to payment for the asset and is highly probable to collect the consideration. When determining the transaction price, if the financing component is significant, the Company shall adjust the promised amount of consideration based on the financing component of the contract

4.30 Government Grants

(a) Recognition of government grants

A government grant shall not be recognised until there is reasonable assurance that:

- (i) The Company will comply with the conditions attaching to them; and
- (ii) The grants will be received.

(b) Measurement of government grants

Monetary grants from the government shall be measured at amount received or receivable, and non-monetary grants from the government shall be measured at their fair value or at a nominal value of RMB 1.00 when reliable fair value is not available.

(c) Accounting for government grants

(i) Government grants related to assets

Government grants pertinent to assets mean the government grants that are obtained by the Company used for purchase or construction, or forming the long-term assets by other ways. Government grants pertinent to assets shall be recognised as deferred income, and should be

recognised in profit or loss on a systematic basis over the useful lives of the relevant assets. Grants measured at their nominal value shall be directly recognised in profit or loss of the period when the grants are received. When the relevant assets are sold, transferred, written off or damaged before the assets are terminated, the remaining deferred income shall be transferred into profit or loss of the period of disposing relevant assets.

(ii) Government grants related to income

Government grants other than related to assets are classified as government grants related to income. Government grants related to income are accounted for in accordance with the following principles:

If the government grants related to income are used to compensate the enterprise's relevant expenses or losses in future periods, such government grants shall be recognised as deferred income and included into profit or loss (or write down related expenses) in the same period as the relevant expenses or losses are recognised;

If the government grants related to income are used to compensate the enterprise's relevant expenses or losses incurred, such government grants are directly recognised into current profit or loss (or write down related expenses).

For government grants comprised of part related to assets as well as part related to income, each part is accounted for separately; if it is difficult to identify different part, the government grants are accounted for as government grants related to income as a whole.

Government grants related to daily operation activities are recognised in other income (or write down related expenses) in accordance with the nature of the activities, and government grants irrelevant to daily operation activities are recognised in non-operating income.

(iii) Loan interest subsidy

When loan interest subsidy is directly allocated to the Company, the subsidy shall be recognised as offsetting the relevant borrowing cost.

(iv) Repayment of the government grants

Reducing the balance of relevant deferred income if deferred income balance exists.

4.31 Deferred Tax Assets and Deferred Tax Liabilities

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base at the balance sheet date. The Company recognise and measure the effect of taxable temporary differences and deductible temporary differences on income tax as deferred tax liabilities or deferred tax assets using liability method. Deferred tax assets and deferred tax liabilities shall not be discounted.

(a) Recognition of deferred tax assets

Deferred tax assets should be recognised for deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits to the extent that

it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits can be utilised at the tax rates that are expected to apply to the period when the asset is realised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- (i) Is not a business combination; and
- (ii) At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

However, the exemption from recognising deferred tax liabilities and assets upon initial recognition does not apply to a single transaction that: (a) simultaneously satisfies both of the aforementioned conditions; and (b) generates equal amounts of taxable temporary differences and deductible temporary differences from the initial recognition of related assets and liabilities. For such transactions, the Company recognises corresponding deferred tax liabilities for taxable temporary differences and deferred tax assets for deductible temporary differences at the transaction date.

The Company shall recognise a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, only to the extent that, it is probable that:

- (i) The temporary difference will reverse in the foreseeable future; and
- (ii) Taxable profit will be available against which the deductible temporary difference can be utilised.

At the end of each reporting period, if there is sufficient evidence that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, the Company recognises a previously unrecognised deferred tax asset.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

(b) Recognition of deferred tax liabilities

A deferred tax liability shall be recognised for all taxable temporary differences at the tax rate that are expected to apply to the period when the liability is settled.

- (i) No deferred tax liability shall be recognised for taxable temporary differences arising from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction which: is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

(ii) An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that both of the following conditions are satisfied:

- The Company is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

(c) Recognition of deferred tax liabilities or assets involved in special transactions or events

(i) Deferred tax liabilities or assets related to business combination

For the taxable temporary difference or deductible temporary difference arising from a business combination not under common control, a deferred tax liability or a deferred tax asset shall be recognised, and simultaneously, goodwill recognised in the business combination shall be adjusted based on relevant deferred tax expense (income).

(ii) Items directly recognised in equity

Current tax and deferred tax related to items that are recognised directly in equity shall be recognised in equity. Such items include: other comprehensive income generated from fair value fluctuation of other debt investments; an adjustment to the opening balance of retained earnings resulting from either a change in accounting policy that is applied retrospectively or the correction of a prior period (significant) error; amounts arising on initial recognition of the equity component of a compound financial instrument that contains both liability and equity component.

(iii) Unused tax losses and unused tax credits

Unused tax losses and unused tax credits generated from daily operation of the Company itself

Deductible loss refers to the loss calculated and permitted according to the requirement of tax law that can be offset against taxable income in future periods. The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. The Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Income taxes in current profit or loss shall be deducted as well.

Unused tax losses and unused tax credits arising from a business combination

Under a business combination, the acquiree's deductible temporary differences which do not satisfy the criteria at the acquisition date for recognition of deferred tax asset shall not be recognised. Within 12 months after the acquisition date, if new information regarding the facts and circumstances exists at the acquisition date and the economic benefit of the acquiree's

deductible temporary differences at the acquisition is expected to be realised, the Company shall recognise acquired deferred tax benefits and reduce the carrying amount of any goodwill related to this acquisition. If goodwill is reduced to zero, any remaining deferred tax benefits shall be recognised in profit or loss. All other acquired deferred tax benefits realised shall be recognised in profit or loss.

(iv) Temporary difference generated in consolidation elimination

When preparing consolidated financial statements, if temporary difference between carrying value of the assets and liabilities in the consolidated financial statements and their taxable bases is generated from elimination of inter-company unrealized profit or loss, deferred tax assets or deferred tax liabilities shall be recognised in the consolidated financial statements, and income taxes expense in current profit or loss shall be adjusted as well except for deferred tax related to transactions or events recognised directly in equity and business combination.

(v) Share-based payment settled by equity

If tax authority permits tax deduction that relates to share-based payment, during the period in which the expenses are recognised according to the accounting standards, the Company estimates the tax base in accordance with available information at the end of the accounting period and the temporary difference arising from it. Deferred tax shall be recognised when criteria of recognition are satisfied. If the amount of estimated future tax deduction exceeds the amount of the cumulative expenses related to share-based payment recognised according to the accounting standards, the tax effect of the excess amount shall be recognised directly in equity.

(vi) Dividends arising from financial instruments classified as equity instruments

For financial instruments classified as equity instruments by the Company as the issuer, where related dividend payments are deductible for income tax purposes under applicable tax regulations, the Company recognises the associated income tax effects when dividends payable are recognised. The income tax effects are recognised in profit or loss if the distributed profits arise from transactions or events previously recognised in profit or loss. Conversely, if the distributed profits arise from transactions or events previously recognised in equity, the corresponding income tax effects are recognised directly in equity items.

(d) Basis for deferred income tax assets and deferred income tax liabilities presented on a net basis

The Company shall offset deferred tax assets and deferred tax liabilities if, and only if: (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or

- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.32 Leases

(a) Identifying a lease

At inception of a contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company shall assess whether, throughout the period of use, the customer has the right to obtain substantially all of the economic benefits from use of the identified asset and to direct the use of the identified asset.

(b) Identifying a separate lease component

When a contract includes more than one separate lease components, the Company shall separate components of the contract and account for each lease component separately. The right to use an underlying asset is a separate lease component if both conditions have been satisfied: (i) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; (ii) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

(c) The Company as a lessee

At the commencement date, the Company identifies the lease that has a lease term of 12 months or less and does not contain a purchase option as a short-term lease. A lease qualifies as a lease of a low-value asset if the nature of the asset is such that, when new, the asset is typically of low value. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all asset included in short-term leases or leases for which the underlying asset is of low value, the Company shall recognise the lease payments associated with those leases as cost of relevant asset or expenses in current profit or loss on a straight-line basis over the lease term.

Except for the election of simple treatment as short-term lease or lease of a low-value asset as mentioned above, at the commencement date, the Company shall recognise a right-of-use asset and a lease liability.

(i) Right-of-use asset

A right-of-use asset is an asset that represents a lessee's right to use an underlying asset for the lease term.

At the commencement date, the Company shall initially measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company recognises and measures the cost in accordance with the recognition criteria and measurement method for estimated liabilities, details please refer to Notes 4.27. Those costs incurred to produce inventories shall be included in the cost of inventories.

The right-of-use asset shall be depreciated according to the categories using straight-line method. If it is reasonably certain that the ownership of the underlying asset shall be transferred to the lessee by the end of the lease term, the depreciation rate shall be determined based on the classification of the right-of-use asset and estimated residual value rate from the commencement date to the end of the useful life of the underlying asset. Otherwise, the depreciation rate shall be determined based on the classification of the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

(ii) Lease liability

At the commencement date, the lease liability shall be measured at the present value of the lease payments that are not paid at that date. The lease payments included in the measurement of the lease liability comprise the following 5 items:

- fixed payments and in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;
- amounts expected to be payable by the lessee under residual value guarantees.

In order to calculate the present value of the lease payments, interest rate implicit in the lease shall be used as the discount rate. If that rate cannot be readily determined, the Company shall use the incremental borrowing rate. The difference between the lease payments and its present value shall be recognised as unrecognised financing charges, calculated bases on the discount rate of the present value of the lease payments in each period within the lease term and

recorded as interest expense in current profit or loss. Variable lease payments not included in the measurement of lease liabilities shall be recognised in current profit or loss when incurred.

After the commencement date, the Company shall remeasure the lease liability based on the revised present value of the lease payments and adjust the carrying amount of the right-of-use asset if there is a change in the in-substance fixed payments, or change in the amounts expected to be payable under a residual value guarantee, or change in an index or a rate used to determine lease payments, or change in the assessment or exercising of an option to purchase the underlying asset, or an option to extend or terminate the lease.

(d) The Company as a lessor

At the commencement date, the Company shall classify a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, otherwise it shall be classified as an operating lease.

(i) Operating leases

The Company shall recognise lease payments from operating leases as income on a straight-line basis / units of production method (or other systematic and rational basis) over the term of the relevant lease and the initial direct costs incurred in obtaining an operating lease shall be capitalised and recognised as an expense over the lease term on the same basis as the lease income. The Company shall recognise the variable lease payments relating to the operating lease but not included in the measurement of the lease receivables into current profit or loss when incurred.

(ii) Finance leases

At the commencement date, the Company shall recognise the lease receivables at an amount equal to the net investment in the lease (the sum of the present value of the unguaranteed residual values and the lease payment that are not received at the commencement date discounted at the interest rate implicit in the lease) and derecognise the asset relating to the finance lease. The Company shall recognise interest income using the interest rate implicit in the lease over the lease term.

The Company shall recognise the variable lease payments relating to the finance lease but not included in the measurement of the net investment in the lease into current profit or loss when incurred.

At the commencement date, the Company shall recognise:

- revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest;
- the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and
- selling profit or loss (being the difference between revenue and the cost of sale)

(e) Lease modifications

(i) A lease modification accounted for as a separate lease

The Company shall account for a modification to a lease as a separate lease, if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope.

(ii) A lease modification not accounted for as a separate lease

The Company as a lessee

At the effective date of the lease modification, the Company shall redetermine the lease term of the modified lease and remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

The Company shall account for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease or shorten the lease term. The Company shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.
- Making a corresponding adjustment to the carrying amount of the right-of-use asset for all other lease modifications.

The Company as a lessor

The Company shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For a modification to a finance lease that is not accounted for as a separate lease, the Company shall account for the modification as follows:

- if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Company shall account for the lease modification as a new lease from the effective date of the modification and measure the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification;
- if the lease would have been classified as a finance lease had the modification been in effect at the inception date, the Company shall account for the lease modification according to the requirements in the modification or renegotiation of the contract.

(f) Sale and leaseback

The Company shall determine whether the transfer of an asset under the sale and leaseback transaction is a sale of that asset according to the policies in Note 3.28.

(i) The Company as a seller (lessee)

If the transfer of the asset is not a sale, the Company shall continue to recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds. It shall account for the financial liability according to Note 3.10. If the transfer of the asset is a sale, the Company shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

(ii) The Company as a buyer (lessor)

If the transfer of the asset is not a sale, the Company shall not recognise the transferred asset and shall recognise a financial asset equal to the transfer proceeds. It shall account for the financial asset according to Note 3.10. If the transfer of the asset is a sale, the Company shall account for the purchase of the asset applying applicable Accounting Standards of Business Enterprises, and for the lease applying the lessor accounting requirements.

4.33 Asset Backed Securitization

The Company securitizes the future cash flow of assets ("trust property"), trusts the assets to a specific entity, and the entity issues priority asset-backed securities and sub-asset-backed securities to investors. The Company holds part of subordinated asset-backed securities. Subordinated asset-backed securities cannot be transferred until the principal and interest of the priority asset-backed securities are paid. As an asset service organization, the Company provides management services related to assets and their recovery, and the management of basic contracts and other services. After paying the taxes and related expenses, the trust property shall be used to repay the principal and interest of the priority asset-backed securities first. The Company received relevant income based on the proportion of subordinated asset-backed securities held.

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

(a) Termination of confirmation of asset backed securitization

When the Company has transferred almost all the risks and rewards of the ownership of financial assets, the recognition of the financial asset is terminated, and the difference between the book value of the financial asset and the consideration received due to the transfer is recognized as current profit and loss.

(b) Continuing to confirm asset backed securitization

When the Company retains almost all the risks and rewards of ownership of financial assets, it does not derecognize the financial assets; the consideration received for the transfer of the financial assets is recognized as a liability. In the subsequent accounting period, the company continued to recognize the income of the financial asset and the expenses of its related liabilities.

(c) Continue to be involved in asset backed securitization

If it does not belong to the above two situations, the company will deal with the following two situations:

A. If the Company does not retain control of the financial asset, the confirmation of the financial asset shall be terminated on the transfer date, and the difference between the book value of the financial asset and the consideration received due to the transfer shall be recognized as current profit or loss.

B. If the Company retains control over the financial assets, the relevant assets shall be recognized on the date of transfer according to the extent of their continued involvement in the financial assets, and the relevant liabilities shall be recognized accordingly.

4.34 Safety Production Costs

According to the relevant regulations, the Company accrues the safety production costs of units engaged in transportation business or machinery manufacturing business according to Caizi [2022] No. 136 since 21 November 2022.

Safety costs are included in the costs of related products when provided, at the same time included in the "special reserve" account.

When safety costs provided are used according to the specified scope, payment of expenses is directly offset against the special reserve; payment in formation of fixed assets is first imputed through "construction in progress" account, then recognized as fixed assets when the project is completed to its intended use state; meanwhile, offset the special reserve according to the cost in formation of the fixed assets and recognize the same amount of accumulated depreciation. The fixed assets will no longer depreciate in the subsequent accounting periods.

4.35 Repurchase of Company's Share

(a) If the Company reduces its registered capital through repurchase of the Company's share according to the approval required in relevant laws and regulations, the share capital shall be reduced at the par value of the shares deregistered, the difference between the consideration paid for repurchase (including the transaction cost) and the par value of the shares shall adjust the owner's equity. Any excess of the total par value shall offset the capital reserve (share premium), surplus reserve and retained earnings in turn. If the consideration paid is less than the total par value, the difference shall increase the capital reserve (share premium).

(b) Before being deregistered or transferred, shares repurchased by the Company shall be treated as treasury stock and all expenditures of the repurchase shall be recognised as the cost

of treasury stock.

(c) Any excess of the income generated from transferring the treasury stock over their cost shall increase the capital reserve (share premium), and any less shall offset the capital reserve (share premium), surplus reserve and retained earnings in turn.

4.36 Restricted Stock

In the equity incentive plan, the Company shall grant restricted shares to the motivated target, and the motivated object first subscribes for the stock. If the subsequent unlocking conditions specified in the equity incentive plan are not met, the Company repurchases the stock at the price agreed in advance. If the restricted shares issued to employees are subject to the procedures for capital increase such as registration in accordance with relevant regulations, at grant date, the Company shall recognise the share capital and capital reserve (share premium) based on the received subscription fees from the employees; treasury stocks and other payables shall be recognised based on the repurchase obligation.

4.37 Significant Accounting Judgements and Estimates

The Company continuously assesses the significant accounting estimates and key assumptions according to its historical experiences and other elements, including reasonable expectations on the future events. The significant estimates and key assumptions that may result in significant adjustment on the assets and liabilities' carrying value in the following fiscal year are listed as below:

Classification of financial assets

Significant estimates and key assumptions involved in classification of financial assets include determination of business model and contractual cash flow characteristics.

The Company's business model is determined at a level that reflects how groups of financial assets are managed. Evidences that the Company must consider include but not limited to:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of financial assets and their management methods;
- how managers of the business are compensated.

In order to assess whether the contractual cash flows are consistent with a basic lending arrangement, the Company must consider whether the financial asset contains a contractual term that could change the timing or amount of the principal (for example, if the asset can be prepaid before maturity) and whether the interest consists of consideration for time value of the money, credit risk, other basic lending risk and costs, as well as profit margin. For example, the Company shall consider whether the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding as well as reasonable additional compensation for the early termination of the contract.

Measurement of the expected credit loss of accounts receivable and contract assets

The Company calculates the expected credit loss of accounts receivables based on its exposure to credit risk and the expected credit loss rate. The expected credit loss rate is determined based on the probability to default and the loss rate as a result of default. When determining the expected credit loss, the Company uses its historical credit loss experience, modified by considering current condition and forward-looking information. The forward-looking information include risk of economic downturn, external market environment, technology environment and changes in customer's situation, etc. The Company periodically monitors and reviews the assumptions used in calculating the expected credit loss.

Impairment provision for other financial assets

The Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition, through default exposure and the 12-months or lifetime expected credit losses rate, taking reference to historical experience for credit losses. The determination of expected credit losses requires the management to make judgments on whether the credit risk of financial assets has increased significantly since initial recognition and to estimate the contractual cash flows expected to be received. If there is a difference between the re-estimation result and the existing estimate, the difference will affect the profit and the book value of the financial asset during the period when the estimate is changed.

Impairment provision for Goodwill

The Company shall assess whether the goodwill has impaired at least every year, which requires to estimate the value in-use of the group of assets to which the goodwill is allocated. The calculation requires the Company to estimate the future cash flows and discount them at an appropriate rate.

Deferred tax assets

Deferred tax assets shall be recognised for all unused taxable losses to the extent that it is probable that the taxable profits will be available against which unused tax losses can be utilised. It requires management to estimate the time and amount of future taxable profits using plenty of judgment so as to determine the amount to be recognised as deferred tax assets, taking into consideration of the tax planning strategy.

Revenue recognition

The Company's recognition of revenue and profits from shipbuilding contracts that is treat as a performance obligation satisfied over time of the Company's estimate of the contract results and performance progress. Due to the characteristics of shipbuilding contracts, the accounting periods of the contract signing date and project completion date is almost different . If the actual amount of total revenue and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Company in future periods.

4.38 Assigning of subsidiary between wholly state-owned enterprises and sole state invested enterprise**(a) Accounting treatment for the transferred-in enterprise**

On the date of obtaining the control of the transferred enterprise, the Company debits the “long-term equity investment” account, according to the relevant amount approved by the state-owned assets supervision and management department, and credits the “capital reserve (capital premium)”. (If the approval specifies it as capital contribution, it should be credited to the “paid-in capital” account, same below).

The consolidated balance sheet of the company is based on the audited book value of assets and liabilities of the transferred enterprise, approved by the state-owned assets supervision and management department, and the changes occurred before the transfer of control of the transferred enterprise. The balance sheet of the transferred enterprise is adjusted accordingly, and the difference between the assets and liabilities of the transferred enterprise, to which it is entitled after adjustment, is recorded as capital reserve (capital premium).

The consolidated profit statement for the current period, in which the Company acquired control of the transferred enterprise, includes the net profit of the transferred enterprise from the benchmark date approved by the state-owned assets supervision and management department to the end of the current period of control transfer.

The consolidated cash flow statement for the period during which the company acquired control of the transferred enterprise includes the cash flows generated by the transferred enterprise from the benchmark date approved by the state-owned assets supervision and management department to the end of the current period of control transfer.

The consolidated statement of changes in owners' equity of the Company includes changes in the owner's equity of the transferred enterprise from the benchmark date approved by the state-owned assets supervision and management department to the end of the current period of control transfer. The consolidated statement of changes in owners' equity can be compiled based on the consolidated balance sheet and consolidated income statement.

(b) Accounting treatment for the transferred-out enterprise

On the date of loss of control over the transferred enterprise, the Company debits the “capital reserve (capital premium)” account, according to the book value of the long-term equity investment of the transferred enterprise (If the approval specifies to offset against paid-in capital, then it should be debited to the “paid-in capital” account, same), and credited to the “long-term equity investment (transferred enterprise)” account; if the capital reserve (capital premium) is insufficient to offset, it should be offset against the surplus reserve and retained earnings in sequence.

On the date of loss of control over the transferred enterprise, the Company will no longer include the transferred enterprise in the scope of the consolidated financial statements, and will terminate the recognition of the assets, liabilities, minority interests and other equity

items of the transferred enterprise previously reflected in the consolidated financial statements. The related differences will be offset against capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in sequence. At the same time, the unrealized internal gains and losses between the Company and the transferred enterprises before the transfer of control should be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, it will be offset against the surplus reserve and retained earnings in sequence.

5 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND CORRECTION OF SIGNIFICANT PRIOR PERIOD ERRORS

5.1 Changes in accounting policies

(a) Implementation of Interpretation of Accounting Standards for Business Enterprises No.17

On 25 October 2023, the Ministry of Finance issued *Interpretation of Accounting Standards for Business Enterprises No.17 (Cai Kuai [2023] No. 21)* (hereinafter referred to as "Interpretation No. 17"), which was effective from January 1, 2024. The Company has adopted Interpretation No. 17 since 1 January 2024.

A. Classification between Current and Non-Current Liabilities

There are not any significant impacts on the consolidated and the Company's financial statements during the reporting period for the implementation of Interpretation No.17.

B. Disclosure of Supplier Financing Arrangements

The section titled "(3) Supplier Financing Arrangements" in Note 8.69 to the financial statements of the Company has disclosed the relevant information related to supplier financing arrangements for the year 2024 in accordance with the requirements of Interpretation No. 17.

(b) Reclassification of assurance-type warranty expenses

The Compilation 2024 of Application Guidance for Enterprise Accounting Standards issued by the Ministry of Finance in March 2024 and Interpretation of Accounting Standards for Business Enterprises No.18 issued on 6 December 2024 require that expenses related to assurance-type warranties be recognised in cost of sales.

The Company has adopted these provisions starting from 2024, recognising expenses related to assurance-type warranties in cost of sales. The cumulative impact on retained earnings at the beginning of the earliest period presented is zero. The Company has restated the relevant items in the consolidated comparative financial statements and the parent company's comparative financial statements for the year ended 31 December 2023 as follows:

Relevant items	Year 2023(Consolidation)		Year 2023(Parent company)	
	Before adjustment	After adjustment	Before adjustment	After adjustment

Relevant items	Year 2023(Consolidation)		Year 2023(Parent company)	
	Before adjustment	After adjustment	Before adjustment	After adjustment
Selling and distribution expenses	2,885,032,168.87	2,879,720,597.38		
Cost of sales	477,453,949,397.30	477,459,260,968.79		

5.2 Significant changes in accounting estimates

The Company has no significant changes in accounting estimates for the reporting period.

5.3 Correction of Significant Prior Period Errors

The Company had no significant prior period errors to correct for the reporting period.

6. TAXATION

6.1 Major Categories of Tax and Tax Rates Applicable to the Company

Categories of tax	Basis of tax assessment	Tax rate	Note
Value added taxes (VAT)	Incremental income from sales of goods; income from sales of commercial residential buildings	Exempted, 0%, 9%, 13%	
Value added taxes (VAT)	Taxable incremental service	3%, 5%, 6%, 9%, 13%	
Consumption tax	Imported car duty paid price	According to cylinder capacity selected	
Urban maintenance and construction tax	Turnover tax payable	5%, 7%	
Educational surcharge	Turnover tax payable	3%	
Local educational surcharge	Turnover tax payable	2%	
Corporate income tax	Taxable income	25%	Note (i)
Property tax (Self-usage)	Remaining value of real estate after deducting certain percentage from cost by regulations	1.2%	Note (ii)
Property tax (Rental)	Rental income	12%	Note (ii)
Land appreciation tax	Incremental amount	Prescribed tax rate	Note (iii)

Note:

(i) The subsidiaries registered overseas pay corporate income tax in accordance to local tax policies and tax rates.

(ii) The self-usage property from the Company and subsidiaries registered in Xiamen are charged for property income tax by 70% of the original cost of property; domestic subsidiaries registered in other areas pay property tax in accordance with local tax policies.

(iii) The incremental amount of land of the Company pays land incremental tax by 3% and 2% of pre-sale property payment, and settle by actual incremental amount and set tax rate in

accordance to relevant regulations, and the balance of prepaid land incremental tax will be refunded or supplemented.

6.2 Tax Preference

The subsidiaries, Shaanxi Xiangdao Logistics Co., Ltd., Chengdu Qingbaijiang Xiangdao Logistics Co., Ltd., Xinjiang Xiangdao Logistics Co., Ltd., Qinghai Xiangdao Logistics Co., Ltd., and Yulin Xiangdao Logistics Co., Ltd., belong to the enterprises located in the preferential tax area of the Western Development, and their main business is in accordance with the provisions in the "Catalogue of Encouraged Industries in Western Regions" For industrial projects, upon application and review and confirmation by the competent tax authority in accordance with regulations, the enterprise income tax may be paid at a reduced rate of 15% for current year.

Some subsidiaries have received the "High-tech Enterprise Certificate" jointly issued by the local tax bureau and the science and technology bureau, allowing them to pay corporate income tax at a reduced rate of 15% during the validity period of the certificate.

According to Caishui [2020] No. 31 "Notice by the Ministry of Finance and the State Taxation Administration of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port", for enterprises in encouraged industries registered in Hainan Free Trade Port and operating substantially, a reduced tax rate of 15% will be imposed on corporate income tax. Some subsidiaries apply this policy for 2024

According to "the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households" (No. 12 [2023]), the annual taxable income of a small low-profit enterprise at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%, which is extended until 31 December 2027. Some subsidiaries apply this policy for 2024.

7. Scope of Consolidation

7.1 Incorporated subsidiaries of the Company

No.	Name of Subsidiaries	Level	Nature of the company	Registered address	Operation address	Nature of the business
1	Xiamen Xiangyu Investment Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Investment, Asset management
2	Hongkong Xiangyu Investment Co.,limited	2	Overseas Non-financial	Hong Kong	Hong Kong	Investment
3	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Finance
4	Xiangyu Real Estate Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Real estate development
5	Xiamen Xiangyu Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Bulk commodity procurement supply and integrated logistics
6	Heilongjiang Jinxiang Biochemical Co., Ltd.	2	Domestic Non-financial	Harbin	Harbin	Manufacturing

No.	Name of Subsidiaries	Level	Nature of the company	Registered address	Operation address	Nature of the business
7	Xiamen Xiangyu Xinghong Technologies Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Manufacturing
8	Xiamen Xiangsheng Nickel Industry Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Trading, Manufacturing
9	Xiamen Xiangyu Industry Development Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Investment, Asset management
10	Hong Kong Xiangyu Caiyi CO., Limited	2	Overseas Non-financial	Hong Kong	Hong Kong	Trading
11	Xiamen Railway Logistics Investment Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Land development
12	Xiamen Xiangcai Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
13	Xiamen Xiangchen Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
14	Fujian Xiangyu Shell Oil Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Trading
15	Xiamen International Cruise Home Port Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Development and construction of cruise terminal
16	Xiamen Xiangyu Free Trade Zone Development Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Real estate development
17	Xiamen Xinweitian Corporate Management Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Investment, Asset management
18	Xiamen Xiangkun Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
19	Xiangjiaying Investment Consulting Co., Ltd.	2	Overseas Non-financial	British Virgin Islands	British Virgin Islands	Investment
20	Fuzhou Xiangtai Enterprise Management Co., Ltd.	2	Domestic Non-financial	Fuzhou	Fuzhou	Investment, Asset management
21	Xiamen Xianghong Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
22	Xiamen Xiangzi Investment Partnership Enterprise (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment

(Continued)

No.	Name of Subsidiaries	Share capital	Percentage of equity interests in the Company		Voting rights in the Company	Acquisition Method
			Direct	Indirect		
1	Xiamen Xiangyu Investment Co., Ltd.	108,689,107.00	100.00		100.00	Investment establishment
2	Hongkong Xiangyu Investment Co., limited	USD 9,991,510.30	100.00		100.00	Investment establishment
3	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	4,380,000,000.00	100.00		100.00	Investment establishment
4	Xiangyu Real Estate Group Co., Ltd.	3,181,558,590.92	100.00		100.00	Investment establishment
5	Xiamen Xiangyu Co., Ltd.	2,233,063,057.00	51.30	1.36	52.66	Others
6	Heilongjiang Jinxiang Biochemical Co., Ltd.	2,664,950,897.42	57.04		57.04	Investment establishment

No.	Name of Subsidiaries	Share capital	Percentage of equity interests in the Company		Voting rights in the Company	Acquisition Method
			Direct	Indirect		
7	Xiamen Xiangyu Xinghong Technologies Co., Ltd.	312,800,000.00	51.00		51.00	Investment establishment
8	Xiamen Xiangsheng Nickel Industry Co., Ltd.	5,550,000,000.00	51.00		51.00	Investment establishment
9	Xiamen Xiangyu Industry Development Group Co., Ltd.	520,000,000.00	100.00		100.00	Investment establishment
10	Hong Kong Xiangyu Caiyi CO., Limited	USD 10,000,000.00	100.00		100.00	Investment establishment
11	Xiamen Railway Logistics Investment Co., Ltd.	200,000,000.00	100.00		100.00	Business combinations not under common control
12	Xiamen Xiangcai Investment Partnership (Limited Partnership)		30.02	0.05	30.07	Investment establishment
13	Xiamen Xiangchen Investment Partnership (Limited Partnership)	2,501,000,000.00	39.98	0.04	40.02	Investment establishment
14	Fujian Xiangyu Shell Oil Co., Ltd.	1,200,000,000.00	51.00		51.00	Business combinations not under common control
15	Xiamen International Cruise Home Port Group Co., Ltd.	598,300,000.00	100.00		100.00	Others
16	Xiamen Xiangyu Free Trade Zone Development Co., Ltd.	316,475,500.00	100.00		100.00	Investment establishment
17	Xiamen Xinweitian Corporate Management Co., Ltd.	39,030,000.00	100.00		100.00	Others
18	Xiamen Xiangkun Investment Partnership (Limited Partnership)	765,805,056.00	4.96	25.18	30.14	Investment establishment
19	Xiangjiaying Investment Consulting Co., Ltd.		100.00		100.00	Investment establishment
20	Fuzhou Xiangtai Enterprise Management Co., Ltd.	50,000,000.00	100.00		100.00	Investment establishment
21	Xiamen Xianghong Investment Partnership (Limited Partnership)	2,150,000,000.00	100.00		100.00	Investment establishment
22	Xiamen Xiangzi Investment Partnership Enterprise (Limited Partnership)	1,360,940,000.00	64.76	0.03	64.80	Investment establishment

7.2 The reason of invested entities which the parent holds less than 50% of share while still sufficient to impose control

The Company holds less than 50% (including 50%) of the equity interest of the 26 investees, and the Company has more than half of the voting rights on its board of directors or partners' meetings, and the Company has substantial control over the investees. Therefore, the investee is included in the scope of consolidation.

Besides, according to the "Management Rights Custody Agreement", the subsidiary Xiangdao

Logistics Co., Ltd. (hereinafter referred to as “Xiangdao Logistics”) has all the rights to the daily operation and management of Guiyang Xiangdao Logistics Co., Ltd., any income from Guiyang Xiangdao Logistics Co., Ltd., as well as any losses borne by Xiangdao Logistics. Xiangdao Logistics has control over Guiyang Xiangdao Logistics Co., Ltd..

7.3 The reason of invested entities which the parent holds more than 50% of share directly or indirectly via subsidiaries while still not sufficient to impose control

No.	Name of Subsidiaries	Percentage of equity interest in the Company	Register Capital (million)	Invested Capital (million)	Level	Reason for included in scope of consolidation
1	Xiamen Xiangyu International Trading Development Co.	100.00%	6.00	6.00	2	Under liquidation and lost control

7.4 Significant non-wholly owned subsidiaries

(i) Non-controlling Interest

Company Name	Non-controlling Interest	Current Profit or Loss belongs to Non-controlling Interest
Xiamen Xiangyu Co., Ltd.	47.34%	27,424,367,383.80

(ii) Significant financial information

Items	Xiamen Xiangyu Co., Ltd.	
	31 December 2024	31 December 2023
Current assets	98,200,169,887.46	110,832,959,351.52
Non-current assets	25,672,494,582.06	18,872,227,308.07
Total assets	123,872,664,469.52	129,705,186,659.59
Current liabilities	84,479,819,906.37	88,012,861,892.38
Non-current liabilities	4,664,101,024.05	4,499,922,099.92
Total liabilities	89,143,920,930.42	92,512,783,992.30

(Continued)

Items	Xiamen Xiangyu Co., Ltd.	
	2024	2023
Revenue	366,670,611,532.77	459,035,453,794.73
Net profit	1,891,115,605.93	2,313,882,549.57
Total Comprehensive Income	2,108,826,049.45	2,349,171,117.09
Cash Flow from Operating Activities	5,604,443,700.77	5,586,548,572.79

7.5 Subsidiaries no longer within the scope of consolidation

22 subsidiaries are no longer within the scope of consolidation due to liquidation, and 15 subsidiaries are no longer included in the scope of consolidation due to loss of control.

7.6 Subsidiaries newly add to the scope of consolidation

75 newly established subsidiaries are included in the scope of consolidation during the current period, of which 3 subsidiaries were acquired not under common control

7.7 Business combination involving enterprises not under common control

(a) Business combination not under common control during the reporting period

Name of the acquirees	Date of acquiring the equity interests	Acquisition costs	Interest acquired (%)
Beijing Shunxin Hengsheng Small Loan Co., Ltd	April 2024	85,368,000.00	80.00
Chongqing Qixin Zecheng Enterprise Management Partnership (Limited Partnership)	April 2024		100.00
Suzhou Ruitai Real Estate Development Co., Ltd	May 2024	11,633,696.00	51.00

(Continued)

Name of the acquirees	Acquisition date	Revenue of the acquirees from the acquisition date to the end of the reporting period	Net profits of the acquirees from the acquisition date to the end of the reporting period
Beijing Shunxin Hengsheng Small Loan Co., Ltd	April 2024	4,832,649.53	3,731,315.70
Chongqing Qixin Zecheng Enterprise Management Partnership (Limited Partnership)	April 2024		-133,528.22
Suzhou Ruitai Real Estate Development Co., Ltd	May 2024		-314,401.80

(b) Combination costs and goodwill

Item	Companies not under common control included in the scope of consolidation
Combination costs	
Cash	97,001,696.00
Fair value of the equity interest held before acquisition date	11,177,472.62
Total combination costs	108,179,168.62
Less: Fair value of the share of net identifiable assets acquired	102,812,508.64
Difference between goodwill/ combination costs and fair value of the share of net identifiable assets acquired	5,366,659.99

(c) Identifiable assets and liabilities of the acquirees as at the acquisition date

Item	Companies not under common control included in the scope of consolidation	
	Fair value	Carrying amount
Current assets	521,529,763.59	521,529,763.59
Non-current assets	4,212.56	4,212.56
Current liabilities	398,721,132.51	398,721,132.51
Non-current liabilities		
Net assets	122,812,843.64	122,812,843.64
Less: Non-controlling interests		
Acquired net assets	122,812,843.64	122,812,843.64

8. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8.1 Monetary funds

Items	31 December 2024	31 December 2023
Cash on hand	706,047.72	648,735.69
Cash in bank	38,808,758,758.04	31,142,819,098.47
Other monetary funds	4,588,416,660.00	6,833,708,942.48
Total	43,397,881,465.76	37,977,176,776.64

Note: As at 31 December 2024, a total of RMB 2,966,052,396.63, including deposits, frozen funds, term deposit certificates, and accrued interest are not included as cash and cash equivalents in the cash flow statement. Except for that, no other monetary funds are restricted to use due to the mortgage, pledge or difficult to transfer back due to overseas bank account.

8.2 Financial Assets Held-for-trading

Items	Fair value as at 31 December 2024	Fair value as at 31 December 2023
Financial assets at fair value through profit or loss	9,778,822,301.97	6,941,402,825.37
Including: Wealth management products	4,812,392,217.73	2,593,055,446.77
Asset package	3,394,897,299.93	2,237,443,232.96
Financial Products-ABS-Asset Supported Special Plan		16,000,000.00
Equity instrument investment	1,519,030,286.26	1,940,072,298.30
Contingent consideration recognized in business combination not under common control	52,502,498.05	154,831,847.34
Total	9,778,822,301.97	6,941,402,825.37

8.3 Derivative Financial Assets

Items	31 December 2024	31 December 2023
i. Derivative financial assets without designated hedging relationship		
Foreign exchange options contract	155,979,071.73	166,923,386.89
Futures contract	26,333,567.50	67,802,522.69
Forward exchange contract	28,937,332.53	18,162,348.55
Foreign exchange swap	1,799,712.54	9,909,246.51
Commodity options contract	12,393,543.54	7,590,900.69
Stock options contract		3,240,887.08
Precious Metal Trading Contract	2,898,794.95	
ii. Hedging instruments		
Commodity futures contracts	354,322,043.84	19,550,562.61
Foreign exchange derivatives	44,542,684.01	11,900,849.14
Total	627,206,750.64	305,080,704.16

8.4 Notes Receivable

(a) Notes receivable by category

Items	31 December 2024			31 December 2023		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Bank acceptance bills	206,223,237.43		206,223,237.43	264,243,415.56		264,243,415.56
Commercial acceptance bills	524,018,764.62	5,652,334.49	518,366,430.13	545,135,515.99	6,196,718.55	538,938,797.44
Total	730,242,002.05	5,652,334.49	724,589,667.56	809,378,931.55	6,196,718.55	803,182,213.00

(b) Pledged notes receivable at 31 December 2024

Items	Pledged amount
Commercial acceptance bills	2,063,800.85

(c) Notes receivable discounted or endorsed to third parties but not yet matured at 31 December 2024

Items	Amount derecognised as at the end of the reporting period	Amount not derecognised as at the end of the reporting period
Commercial acceptance bills		158,687,161.46
Bank acceptance bills	37,207,091.15	14,123,682.24
Total	37,207,091.15	172,810,843.70

(d) Notes receivable by bad debt provision method

Category	31 December 2024		
	Book balance	Provision for bad debt	Carrying amount

	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually					
Provision for bad debt recognised by groups	730,242,002.05	100.00	5,652,334.49	0.77	724,589,667.56
Including: Group 1	524,018,764.62	71.76	5,652,334.49	1.08	518,366,430.13
Group 2	206,223,237.43	28.24			206,223,237.43
Total	730,242,002.05	100.00	5,652,334.49	0.77	724,589,667.56

(Continued)

Category	31 December 2023				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually					
Provision for bad debt recognised by groups	809,378,931.55	100.00	6,196,718.55	0.77	803,182,213.00
Including: Group 1	545,135,515.99	67.35	6,196,718.55	1.14	538,938,797.44
Group 2	264,243,415.56	32.65			264,243,415.56
Total	809,378,931.55	100.00	6,196,718.55	0.77	803,182,213.00

(e) Changes of provision for bad debt during the reporting period

Category	31 December 2023	Changes during the reporting period				31 December 2024
		Provision	Recovery or reversal	Elimination or write-off	others	
Commercial acceptance bills	6,196,718.55	356,023.07	900,407.13			5,652,334.49

8.5 Accounts Receivable

(a) Accounts receivable by aging

Aging	31 December 2024	31 December 2023
Within one year	17,860,449,849.37	17,322,389,810.23
1-2 years	428,547,717.59	326,428,340.45
2-3 years	211,018,568.52	194,377,280.23
3-4 years	108,556,479.89	52,530,529.36
4-5 years	35,741,269.71	11,024,573.33
Over 5 years	358,125,054.84	356,507,859.15
Subtotal	19,002,438,939.92	18,263,258,392.75
Less: provision for bad debt	1,104,425,992.66	816,112,523.16
Total	17,898,012,947.26	17,447,145,869.59

(b) Accounts receivable by bad debt provision method

Category	31 December 2024				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	940,707,835.00	4.95	797,466,174.89	84.77	143,241,660.11
Provision for bad debt recognised by groups	18,061,731,104.92	95.05	306,959,817.77	1.70	17,754,771,287.15
Including: Group 1	991,617,935.98	5.21	19,712,091.97	1.99	971,905,844.01
Group 2	16,679,516,958.24	87.78	284,363,813.22	1.70	16,395,153,145.02
Group 3	390,596,210.70	2.06	2,883,912.58	0.74	387,712,298.12
Total	19,002,438,939.92	100.00	1,104,425,992.66	5.81	17,898,012,947.26

(Continued)

Category	31 December 2023				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	536,810,333.78	2.94	507,945,666.41	94.62	28,864,667.37
Provision for bad debt recognised by groups	17,726,448,058.97	97.06	308,166,856.75	1.74	17,418,281,202.22
Including: Group 1	811,944,415.75	4.45	26,819,152.32	3.30	785,125,263.43
Group 2	16,466,790,987.35	90.16	281,347,704.43	1.71	16,185,443,282.92
Group 3	447,712,655.87	2.45			447,712,655.87
Total	18,263,258,392.75	100.00	816,112,523.16	4.47	17,447,145,869.59

(c) Changes of provision for bad debt during the reporting period

Category	31 December 2023	Changes during the reporting period				31 December 2024
		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised individually	507,945,666.41	430,628,320.61	7,351,848.76	730,797.17	-132,638,258.56	797,853,082.53
Provision for bad debt recognised by groups	308,166,856.75	20,748,053.04		221,314.05	-22,120,685.61	306,572,910.13
Total	816,112,523.16	451,376,373.65	7,351,848.76	952,111.22	-154,758,944.17	1,104,425,992.66

(d) Top five closing balances by entity

Entity name	Balance of accounts receivable as at 31 December 2024	Proportion of the balance to the total accounts receivable and contract assets (%)	Provision for bad debt of accounts receivable and contract assets
Company 1	435,016,486.66	2.29	4,350,164.87
Company 2	423,893,619.63	2.23	4,298,336.24
Company 3	334,193,989.41	1.76	3,456,775.42
Company 4	313,959,695.28	1.65	3,195,353.75
Company 5	301,082,423.92	1.58	3,010,824.24
Total	1,808,146,214.90	9.52	18,311,454.52

8.6 Accounts Receivable Financing

Items	Fair value as at 31 December 2024	Fair value as at 31 December 2023
Notes receivable	261,978,404.10	447,960,327.22
Accounts receivable	97,211,867.58	145,946,746.98
Total	359,190,271.68	593,907,074.20

8.7 Advances to Suppliers

(a) Advances to suppliers by aging

Aging	31 December 2024		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within one year	15,667,540,212.17	97.31	24,505,696,449.88	97.08
1 to 2 years	251,189,029.64	1.56	632,311,436.22	2.50
2 to 3 years	97,867,371.53	0.61	37,244,244.68	0.15
Over 3 years	84,234,831.03	0.52	67,189,642.41	0.27
Total	16,100,831,444.37	100.00	25,242,441,773.19	100.00

(b) Top five closing balances by entity

Entity name	Balance as at 31 December 2024	Proportion of the balance to the total advances to suppliers (%)
Company 1	2,095,086,919.80	13.01
Company 2	864,493,181.76	5.37
Company 3	771,827,852.00	4.79
Company 4	405,479,982.82	2.52
Company 5	377,357,470.00	2.34
Total	4,514,245,406.38	28.04

8.8 Other Receivables

(a) Other receivables by category

Items	31 December 2024	31 December 2023
Interest receivable		
Dividend receivable	157,096,203.69	49,709,350.77
Other receivables	33,954,763,082.83	22,288,391,161.22
Total	34,111,859,286.52	22,338,100,511.99

(b) Dividends receivable

Items (or the investees)	31 December 2024	31 December 2023
Xiamen Xiangyuan Investment Partnership (Limited Partnership)	87,404,392.00	21,553,455.26
Hebei Risun Coking Ltd.	21,000,000.00	20,000,000.00
Xiamen Hongyu Supply Chain Co., Ltd.		8,155,895.51
Xiamen Chenhuan Investment Partnership (Limited Partnership)	27,190,611.08	
Xiamen Xiangle Investment Partnership (Limited Partnership)	2,797,267.25	
PT Xiangyu Shipping Line	18,703,933.36	
Subtotal	157,096,203.69	49,709,350.77
Less: Provision for bad debt		
Total	157,096,203.69	49,709,350.77

(c) Other Receivables

(i) Other receivables by aging

Aging	31 December 2024	31 December 2023
Within one year	18,311,702,869.07	11,684,402,029.19
1-2 years	8,443,813,724.10	8,498,505,132.54
2-3 years	7,453,006,332.95	786,915,736.18
3-4 years	353,197,013.25	1,720,473,695.89
4-5 years	1,626,580,803.97	387,824,160.62
Over 5 years	769,312,680.96	1,004,404,890.07
Subtotal	36,957,613,424.30	24,082,525,644.49
Less: provision for bad debt	3,002,850,341.47	1,794,134,483.27
Total	33,954,763,082.83	22,288,391,161.22

(ii) Other receivables by bad debt provision method

A. As at 31 December 2024, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
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Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	22,191,714,828.39	115,377,822.65	22,076,337,005.74
Stage 2	9,445,049,543.04	218,444,530.99	9,226,605,012.05
Stage 3	5,320,849,052.87	2,669,027,987.83	2,651,821,065.04
Total	36,957,613,424.30	3,002,850,341.47	33,954,763,082.83

B. As at 31 December 2023, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	19,954,709,979.41	259,093,245.89	19,695,616,733.52
Stage 2	228,830,301.61	52,184,037.07	176,646,264.54
Stage 3	3,898,985,363.47	1,482,857,200.31	2,416,128,163.16
Total	24,082,525,644.49	1,794,134,483.27	22,288,391,161.22

(iii) Changes of provision for bad debt during the reporting period

Category	31 December 2023	Changes during the reporting period				31 December 2024
		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised individually	1,384,882,231.03	1,228,611,331.64	49,948,423.33	102,676,503.42	362,190,321.08	2,823,058,957.00
Provision for bad debt recognised by groups	409,252,252.24	-23,794,068.71			-205,666,799.06	179,791,384.47
Total	1,794,134,483.27	1,204,817,262.93	49,948,423.33	102,676,503.42	156,523,522.02	3,002,850,341.47

(iv) Top five closing balances by entity

Entity name	Nature	Balance as at 31 December 2024	Aging	Proportion of the balance to the total other receivables (%)
Company 1	Reorganized claims with property guarantees	6,483,355,506.97	Within 1 year: 6,468,546,036.86 1-2 years: 14,809,470.11	17.54
Company 2	Reorganized claims with property guarantees	2,404,581,923.71	Within 1 year: 2,404,581,923.71	6.51
Company 3	Transfer of significant inventory-related litigation or disputes to receivables	1,872,856,026.01	1-2 years: 47,390,043.91 2-3 years: 1,825,465,982.10	5.07
Company 4	Intercourse funds	1,851,135,114.00	Within 1 year: 49,500,000.00 1-2 years: 134,502,666.00 2-3 years: 1,667,132,448.00	5.01
Company 5	Intercourse funds	1,647,380,000.00	1-2 years: 1,255,380,000.00 2-3 years: 392,000,000.00	4.46

Entity name	Nature	Balance as at 31 December 2024	Aging	Proportion of the balance to the total other receivables (%)
Total		14,259,308,570.69		38.58

8.9 Inventories

(a) Inventories by category

Items	31 December 2024			31 December 2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Raw materials	9,964,180,694.01	4,785,999.42	9,959,394,694.59	8,591,386,129.44	14,711,481.83	8,576,674,647.61
Finished goods	25,636,254,216.80	356,440,479.96	25,279,813,736.84	27,584,991,607.70	530,747,635.87	27,054,243,971.83
Development cost	49,162,481,179.27	664,076,373.12	48,498,404,806.15	63,204,351,579.67	241,417,111.71	62,962,934,467.96
Development product	6,830,176,841.35	936,309,704.17	5,893,867,137.18	2,708,282,081.53	69,488,937.34	2,638,793,144.19
Semi-finished goods	2,434,663,781.75		2,434,663,781.75	1,944,533,331.45		1,944,533,331.45
Low-value consumable and others	16,193,700.42		16,193,700.42	29,706,790.98		29,706,790.98
Cost to fulfill a contract	1,197,466,165.55		1,197,466,165.55	963,905,426.12		963,905,426.12
Consumptive biological assets	160,510,783.33	6,362,619.39	154,148,163.94	164,435,976.96	5,635,003.57	158,800,973.39
Consigned processing material	104,320,047.70	243,015.44	104,077,032.26	153,291,922.36	74,127.20	153,217,795.16
Goods shipped in transit	108,091,882.02	128,612.64	107,963,269.38	87,420,494.97	6,885.65	87,413,609.32
Work in progress	57,391,600.83		57,391,600.83	58,257,097.77		58,257,097.77
Total	95,671,730,893.03	1,968,346,804.14	93,703,384,088.89	105,490,562,438.95	862,081,183.17	104,628,481,255.78

Note: As at 31 December 2024, please refer to Note 8.70 for the pledge of inventories of the Company.

(b) Provision for impairment

Items	31 December 2023	Increase during the reporting period		Decrease during the reporting period		31 December 2024
		Provision	Others	Reversal or elimination	Others	
Raw materials	14,711,481.83	3,883,068.15		13,808,550.56		4,785,999.42
Finished goods	530,747,635.87	339,225,421.53	148,302.10	513,680,879.54		356,440,479.96
Development cost	241,417,111.71	564,243,161.44			141,583,900.03	664,076,373.12
Development product	69,488,937.34	786,175,357.13	190,310,740.15	109,665,330.45		936,309,704.17
Cost to fulfill a contract	5,635,003.57	1,277,899.25		442,729.24	107,554.19	6,362,619.39
Consumptive biological assets	74,127.20	243,015.44		74,127.20		243,015.44
Goods shipped in transit	6,885.65	128,612.64		6,885.65		128,612.64

Items	31 December 2023	Increase during the reporting period		Decrease during the reporting period		31 December 2024
		Provision	Others	Reversal or elimination	Others	
Total	862,081,183.17	1,695,176,535.58	190,459,042.25	637,678,502.64	141,691,454.22	1,968,346,804.14

8.10 Contract Assets

(a) Details of contract assets

Items	31 December 2024		
	Book balance	Provision for impairment	Carrying amount
Provision for bad debt recognised individually			
Provision for bad debt recognised by groups	796,080,896.53	3,295,104.94	792,785,791.59
Including: Group 1	520,591,012.25	520,591.01	520,070,421.24
Group 2	275,419,053.62	2,774,513.93	272,644,539.69
Group 3	70,830.66		70,830.66
Total	796,080,896.53	3,295,104.94	792,785,791.59

(Continued)

Items	31 December 2023		
	Book balance	Provision for impairment	Carrying amount
Provision for bad debt recognised individually			
Provision for bad debt recognised by groups	652,822,314.68	1,412,500.08	651,409,814.60
Including: Group 1	569,535,840.89	569,535.84	568,966,305.05
Group 2	82,442,619.75	842,964.24	81,599,655.51
Group 3	843,854.04		843,854.04
Total	652,822,314.68	1,412,500.08	651,409,814.60

(b) Changes of provision for impairment during the reporting period

Category	31 December 2023	Provision	Reversal	Elimination or write-off	Others	31 December 2024
Group 1	569,535.84		48,944.83			520,591.01
Group 2	842,964.24	1,931,549.69				2,774,513.93
Total	1,412,500.08	1,931,549.69	48,944.83			3,295,104.94

8.11 Non-current Assets Maturing within One Year

Items	31 December 2024	31 December 2023
Debt investment maturing within one year	1,788,949,747.66	3,079,866,722.58

Items	31 December 2024	31 December 2023
Long-term receivables maturing within one year	1,366,114,520.05	222,116,601.02
Time deposit maturing within one year	1,132,399,952.80	
Other non-current financial assets maturing within one year	40,113,044.14	
Cooperative planting payment maturing within one year	4,004,508.00	3,940,044.00
Subtotal	4,331,581,772.65	3,305,923,367.60
Less: provision for bad debt	296,606,348.53	280,791,080.54
Total	4,034,975,424.12	3,025,132,287.06

8.12 Other Current Assets

Items	31 December 2024	31 December 2023
Loan	770,180,383.00	1,042,529,182.74
Asset package	2,429,722,265.34	1,695,448,344.60
Entrusted loan		9,773,659.77
Prepaid tax and deductible tax	5,238,257,511.43	5,134,136,067.75
Factoring receivable	4,978,158,625.09	3,672,993,672.69
Cost to obtain a contract	187,145,011.12	260,127,228.16
Hedged item from firm commitment for purchased commodities	26,110,111.24	14,513,861.69
Hedged item from firm commitment for sold commodities	318,350,406.98	39,688,073.56
Time deposit and others	2,660,128,942.93	4,872,760,608.10
Subtotal	16,608,053,257.13	16,741,970,699.06
Less: provision for bad debt	62,795,573.72	53,278,985.45
Total	16,545,257,683.41	16,688,691,713.61

8.13 Debt Investment

(a) General information of debt investment

Items	31 December 2024		
	Book balance	Provision for loss allowance	Carrying amount
Entrusted loan and other loans	5,811,378,881.47	356,634,708.17	5,454,744,173.30
Others	402,480,069.85		402,480,069.85
Subtotal	6,213,858,951.32	356,634,708.17	5,857,224,243.15
Less: Debt investment maturing within one year	1,788,949,747.66	276,114,630.73	1,512,835,116.93
Total	4,424,909,203.66	80,520,077.44	4,344,389,126.22

(Continued)

Items	31 December 2023		
	Book balance	Provision for loss allowance	Carrying amount
Entrusted loan and other loans	5,448,734,587.21	328,526,654.22	5,120,207,932.99
Others	415,752,042.85		415,752,042.85
Subtotal	5,864,486,630.06	328,526,654.22	5,535,959,975.84
Less: Debt investment maturing within one year	3,079,866,722.58	261,540,210.62	2,818,326,511.96
Total	2,784,619,907.48	66,986,443.60	2,717,633,463.88

(b) Provision for loss allowance under three stages model

(i) As at 31 December 2024, provisions for loss allowance recognised based on three stages model are as following:

Stages	Book balance	Provision for loss allowance	Carrying amount
Stage 1	3,985,748,723.02	38,476,673.21	3,947,272,049.81
Stage 2	369,593,680.64	14,216,684.23	355,376,996.41
Stage 3	69,566,800.00	27,826,720.00	41,740,080.00
Total	4,424,909,203.66	80,520,077.44	4,344,389,126.22

(ii) As at 31 December 2023, provisions for loss allowance recognised based on three stages model are as following:

Stages	Book balance	Provision for loss allowance	Carrying amount
Stage 1	2,645,102,934.35	25,169,688.97	2,619,933,245.38
Stage 2			
Stage 3	139,516,973.13	41,816,754.63	97,700,218.50
Total	2,784,619,907.48	66,986,443.60	2,717,633,463.88

(c) Changes of provision for loss allowance during the reporting period

Category	31 December 2023	Changes during the reporting period			31 December 2024
		Provision	Recovery or reversal	Elimination or Write-off	
Entrusted loan and other loans	66,986,443.60	15,665,769.97		2,132,136.13	80,520,077.44

8.14 Long-term Receivables

(a) General information of long-term receivables

Items	31 December 2024
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	Book balance	Provision for bad debt	Carrying amount
Finance leases	3,348,934,958.26	50,171,060.47	3,298,763,897.79
Including: unrealised finance income	778,510,591.25		778,510,591.25
Financial lease deposit receivable	3,220,000.00		3,220,000.00
Reserve fund for restructuring	73,704,902.70		73,704,902.70
Subtotal	3,425,859,860.96	50,171,060.47	3,375,688,800.49
Less: Long-term receivable due within 1 year	1,366,114,520.05	20,491,717.80	1,345,622,802.25
Total	2,059,745,340.91	29,679,342.67	2,030,065,998.24

(Continued)

Items	31 December 2023		
	Book balance	Provision for bad debt	Carrying amount
Finance leases	2,921,247,194.68	43,983,406.20	2,877,263,788.48
Including: unrealised finance income	722,113,374.45		722,113,374.45
Financial lease deposit receivable	3,220,000.00		3,220,000.00
Reserve fund for restructuring	73,704,902.70		73,704,902.70
Subtotal	2,998,172,097.38	43,983,406.20	2,954,188,691.18
Less: Long-term receivable due within 1 year	222,116,601.02	19,250,869.92	202,865,731.10
Total	2,776,055,496.36	24,732,536.28	2,751,322,960.08

(b) Long-term receivables by bad debt provision method

(i) As at 31 December 2024, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	2,059,745,340.91	29,679,342.67	2,030,065,998.24

(ii) As at 31 December 2023, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	2,776,055,496.36	24,732,536.28	2,751,322,960.08

(c) Changes of provision for bad debt during the reporting period

Category	31 December 2023	Changes during the reporting period			31 December 2024
		Provision	Recovery or reversal	Elimination or Write-off	
Finance leases	24,732,536.28	18,109,806.16		13,162,999.77	29,679,342.67

8.15 Long-term Equity Investments

Investees	31 December 2023	Changes during the reporting period						31 December 2024	Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	Others
I. Joint ventures									
Danjin Tian An Science Parks Development Limited	597,870,415.17	412,118,657.63		-71,770,026.45				938,219,046.35	
Suzhou Xiangyu Real Estate Co., Ltd.	585,521,047.87			1,884,556.50				587,405,604.37	
Fujian Dengyun Real Estate Development Co., Ltd.	290,247,920.72			-243,812,610.04	46,946,997.08			93,382,307.76	
Shanghai Zhaoliang Hixin Real Estate Development Co., Ltd.	404,292,426.14			-1,510,680.00				402,781,746.14	
Nanping Ruiheng Real Estate Co., Ltd.	49,589,669.09			1,772,094.28				51,361,763.37	
Fujian Xiangyu Real Estate Development Co., Ltd.	57,796,053.76			1,186,067.16				58,976,120.92	
Nanping Hienrong Real Estate Development Co., Ltd.	20,633,506.40			-274,137.40				20,359,369.00	
Xiamen Xiangyu Investment Operation Co., Ltd.	6,544,659.02	7,200,000.00		-3,431,289.71				10,313,369.31	
Xiamen Dading Taiwan	6,213,731.04			-1,697,735.21				4,515,995.83	

Investees	31 December 2023	Changes during the reporting period						31 December 2024	Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	
Commerce Characteristics Small Town Operation Management Co., Ltd.									
Fujian Yuchao Supply Chain Management Co., Ltd.	5,891,383.23			300.42				5,891,683.65	
Fuzhou Dengshun Property Service Co., Ltd.	1,658,334.05			-107,898.45				1,550,435.60	
Subtotal	2,026,259,146.49	419,318,657.63		-317,767,358.90	46,946,957.08			2,174,757,442.30	
II. Associates									
Xiamen Rural Commercial Bank Co., Ltd.	1,188,390,124.41			7,423,391.00	27,154,132.83	-1,012,819.85		1,221,954,878.39	
Fujian Provincial Port Group Co., Ltd.	5,361,360,678.79			102,085,957.49	211,975,999.67	5,117,893.10		5,680,540,529.05	
Shanghai Zhongyuan Real Estate Co., Ltd.	956,625,001.41			600,470,333.36				1,557,095,334.77	
Shanghai Pancheng Real Estate Development Co., Ltd.	466,803,846.15		435,000,000.00	117,105.08				31,920,951.23	
Guangdong Aluminum (Shenzhen) Company Limited	563,911,206.65			253,053,641.51	1,275,346.30	-2,129,897.09	62,500,000.00	753,610,297.37	
Fujian Fuchou Holdings Limited	520,868,844.19			-58,859,190.90				462,009,653.29	
Shanghai Hualuo Real Estate	39,268,788.58			-5,086,024.81				34,182,763.77	

Investees	31 December 2023	Changes during the reporting period						Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment
Development Co., Ltd.								
Harbin Rural Commercial Bank Co., Ltd.	376,228,643.85			32,419,558.10	23,011,880.39	1,325,342.18	9,900,000.00	423,085,424.52
Suzhou Yilai Real Estate Development Co., Ltd.	284,146,255.28			-36,763,689.08				247,382,566.20
Xiamen Chenxin Investment Partnership (Limited Partnership)	336,987,384.00							336,987,384.00
Xianan Financial Leasing Co., Ltd.	230,857,502.97	255,340,000.00		29,566,996.15				515,764,499.12
Inner Mongolia E-15 Technology Co., Ltd.	235,048,489.37	30,618,900.00		49,304,883.38	106,475.68	-6,114,875.57	20,749,740.00	288,214,132.86
Xiamen Modern Terminal Co., Ltd.	176,394,872.41			10,227,883.40	64,553.33	15,717.54	12,106,811.51	175,327,091.78
Nanjing Xuliang Real Estate Development Co., Ltd.	163,415,039.51			32,426,867.77				195,841,907.28
Shanghai Xiangyu Logistics Development Co., Ltd.	155,483,621.34			-139,484.81				155,344,136.53
Suzhou Ruizai Real Estate Development Co., Ltd.				21,588,792.38				-21,588,792.38
Fuzhou Liyu Investment Partnership (Limited)	135,005,040.68			6,900,000.00				141,905,040.68

Investees	31 December 2023	Changes during the reporting period						Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment
Partnership)								
Inner Mongolia Haidong Environmental Protection Technology Co., Ltd.	105,083,736.41	69,131,900.00		-1,079,441.77		-13,122,761.50	7,115,510.00	150,897,923.14
Ruoya Xiangxi Xianing Equity Investment Partnership LLP	43,518,667.59			174,352.22				43,693,019.81
Xianon Hongyu Supply Chain Co., Ltd.	49,065,527.70			3,239,921.14				52,305,448.84
Manjing Kaixin Venture Capital Partnership LLP	59,584,927.90			-2,403,555.97			7,266,121.71	49,915,250.22
Sterilis Golden Bridge Property Insurance Co., Ltd.	53,113,097.58							53,113,097.58
Kunshan Ximui Real Estate Development Co., Ltd.	50,727,429.57			-8,025,613.26				42,701,816.31
Linxia Xialin Group Co., Ltd.	30,902,555.32			-1,134,332.93				29,768,222.39
Shaanxi Airport Ruopeng Xinggen New Material Venture Capital Fund Partnership (Limited Partnership)	50,172,861.00	50,000,000.00		892,632.63			709,675.28	100,355,818.25

Investees	31 December 2023	Changes during the reporting period							31 December 2024	Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
Xiangsheng Investment Partnership LLP	3,000,000.00		3,000,000.00							
Xiangyu Junsheng Venture Capital Partnership (Limited Partnership)	37,525,578.08		10,115,010.00	528,350.06					27,938,918.14	
Port of Dalian Xiangyu Grain Logistics Co., Ltd.	40,820,422.41			-3,740,275.56					37,080,146.85	
Hangao Fuguanyang Equity Investment Partnership (Limited Partnership)	33,143,549.60			-1,572,031.15					31,571,517.85	
Suzhou Ruizhi Real Estate Development Co., Ltd.	34,282,738.55			-1,362,233.27					32,920,505.28	
Xiamen Minzi Ferry Co., Ltd.	35,882,974.00	40,800,000.00		-1,183,752.95					75,499,221.05	
China Cultural Industry Investment Fund of Fund Management Co., Ltd.	25,197,774.09			1,114,406.07					26,312,180.16	
Hebei Xiangyu Zhongfeng Real Estate Co., Ltd.	8,325,047.68			-36,227.50					8,288,820.18	
Fujian Xingzheng Strategy Venture Capital Partnership LLP	16,388,413.81			-1,040,555.80					15,347,858.01	

Investees	31 December 2023	Changes during the reporting period						31 December 2024	Provision for impairment at 31 December 2024
		Increase during reporting period	Decrease during reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	
Xiamen Xianglan Equity Investment Partnership (Limited Partnership)	12,341,448.17			-125,222.72				12,216,225.45	
Qidun Chenghis Supply Chain Co., Ltd.	8,578,510.97			221,021.37				8,799,532.34	
Zhongnan Growth (Tianjin) Equity Investment Fund Partnership LLP	8,403,219.29			-55,010.58	-2,084,702.15			6,263,506.56	
Tianfeng Huoying No.1 (Wuhan) Venture Capital Center LLP	9,584,562.61				-9,066,380.82			518,181.79	
Fuzhou Xiangyu Runke Equity Investment Partnership LLP	4,760,513.43			264.71				4,760,778.14	6,800,998.17
Xiamen Xiangyu Chuangtu Investment Partnership LLP	4,199,761.64			-405.93				4,199,355.71	5,999,253.57
Port of Jiaozou Xiangyu Grain Co., Ltd.	4,842,826.34			454,302.45				5,297,128.79	
Harbin Chengyu Commercial Operation Co., Ltd.	4,613,587.12			176,340.49				4,789,927.61	

Investees	31 December 2023	Changes during the reporting period							Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	
Ningbo Xiangyu Juyi Fintech Investment Partnership LLP	4,508,684.21							4,508,684.21	4,508,684.21
Shenzhen Zhongnan Growth Investment Partnership LLP	3,767,234.19			169,950.33	-328,035.00		317,306.15		3,291,843.37
SDFC Xiangyu Bioenergy (Fujian) Co., Ltd.	3,445,611.17	5,068,000.00	143,664.52					8,369,946.65	
Shenzhen South China Investment Management Co., Ltd.	5,441,576.93			26,201.96					5,467,778.89
Xiamen Xiangyu Fengpu Investment Partnership (General Partnership)	2,995,519.50			14,491.23					3,010,010.73
Internet of Things Industry Research Institute Co., Ltd.	1,162,216.12			-2,391,436.40				1,292,368.39	63,148.11
Zhangzhou Development Zone Changhai Car Timeport Co., Ltd.	1,019,683.84			-648,346.96					371,336.88
Woshan Fushen Mining Co., Ltd.	913,009.20			-241,582.29					671,426.91
Hubei Guoqiao Laosuo Supply Chain Co., Ltd.	21,718,047.51			2,040,603.18	0.01		1,468,352.38		22,290,298.32

Investees	31 December 2023	Changes during the reporting period						31 December 2024	Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	
Chongqing Rongchuang Xiangyu Property Service Co., Ltd.	489,020.47		490,000.00	1,664.09			684.56		
Nanjing Kaihai Venture Capital Management Partnership LLP	393,697.97			87,650.78				481,348.75	
Fujian Xiangyu Thermal Power Co., Ltd.									30,000,000.00
Xiamen Xiangyu Chongqing Investment Partnership LLP									34,397,555.28
Kunshan Jiechu Real Estate Co., Ltd.	521,345,846.75			12,755,646.63			349,937,500.00	184,163,993.38	
Xiamen Xiangyuan Investment Partnership (Limited Partnership)	701,000,000.00			65,850,936.74			65,850,936.74	701,000,000.00	
Xiamen Xibaiwan Cruise City Investment Co., Ltd.	706,250,176.50			71,531,543.90				777,781,720.40	
Xiaogan Zhaogang Lujie Property Management Co., Ltd.	4,832,904.85			2,563,948.33			2,429,041.81	4,967,811.37	
Xiamen Chuanhua Investment Partnership (Limited Partnership)	250,000,000.00			27,190,611.08			27,190,611.08	250,000,000.00	

Investees	31 December 2023	Changes during the reporting period							Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	
Sichuan Ruokang Yaoqi Bioorganic Management Partnership (Limited Partnership)	67,800,000.00		67,800,000.00						
Xiamen Chenhui Investment Partnership (Limited Partnership)	39,760,000.00		39,760,000.00						
Xiamen Chenji Investment Partnership (Limited Partnership)	37,956,485.00		37,956,485.00						
Ningxia Shanshan Food Co., Ltd.	9,003,904.94	6,000,000.00		-433,562.84				14,570,342.10	
Xiamen Internalfood Logistics Port Co., Ltd.	64,579,975.89			-3,976,222.79		3,115.31		60,606,868.41	
Xiamen Gold Investment Co., Ltd.		48,000,000.00		-14,185,938.45				-33,814,061.55	
Xiamen Chenzuo Investment Partnership Enterprise (Limited Partnership)		471,889,672.00						471,889,672.00	
Xiamen Lixiang Investment Partnership (Limited Partnership)		49,000,000.00		1,225,642.03				50,225,642.03	
Xiamen Xingde Investment Partnership		40,000,000.00		2,797,267.25			2,797,267.25	40,000,000.00	

Investees	31 December 2023	Changes during the reporting period							31 December 2024	Provision for impairment at 31 December 2024
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
(Limited Partnership)										
Quanzhou Lyyi Investment Partnership Enterprise (Limited)		30,690,621.50	30,690,621.50	2,302,076.21			2,302,076.21			
Quanzhou Zhongnan Duty-free Goods Co., Ltd.		1,911,300.00		185,325.43					2,097,125.43	
Suzhou Hengrong Real Estate Development Co., Ltd.		126,000,000.00		-3,839,149.43					122,160,850.57	
PT Xiangyu Shipping Line				11,463,780.35	1,493,626.71		18,902,618.82		91,077,858.91	
Subtotal	14,571,238,664.89	1,224,450,893.56	624,955,781.02	1,204,266,052.13	253,602,946.95	-15,918,285.38	591,634,253.50	21,838,764.71	10,162,409,345.05	146,622,499.38
(III)										
Subsidiaries										
Xinca Xiangyu International Trading Development Co.										6,000,000.00
Total	16,597,497,811.38	1,641,769,551.13	624,955,781.02	896,498,692.23	300,549,944.03	-15,918,285.88	591,634,253.50	21,838,764.71	12,337,166,787.35	152,622,499.38

8.16 Other equity instrument investment

Items	Fair value as at 31 December 2024	Fair value as at 31 December 2023
Non-trading equity instrument investment	85,714,285.71	

8.17 Other non-current financial assets

Items	Fair value as at 31 December 2024	Fair value as at 31 December 2023
Financial asset designated at fair value through profit or loss	14,149,597,195.78	6,403,583,730.74

8.18 Investment Properties**(a) Investment properties accounted for using cost model**

Items	Building and plants	Land use rights	Total
Initial cost:			
Balance as at 31 December 2023	5,034,450,762.64	1,464,510,536.81	6,498,961,299.45
Increase during the reporting period	355,124,420.50	75,960,222.63	431,084,643.13
(i) Acquisition		6,938,641.41	6,938,641.41
(ii) Transfer from inventories /fixed assets /construction in progress	334,113,070.93	63,357,433.37	397,470,504.30
(iii) Others	21,011,349.57	5,664,147.85	26,675,497.42
Decrease during the reporting period	50,691,133.50		50,691,133.50
(i) Disposal	2,975,597.24		2,975,597.24
(ii) Others	47,715,536.26		47,715,536.26
Balance as at 31 December 2024	5,338,884,049.64	1,540,470,759.44	6,879,354,809.08
Accumulated depreciation and amortisation:			
Balance as at 31 December 2023	846,830,888.00	236,455,852.15	1,083,286,740.15
Increase during the reporting period	206,061,393.64	41,848,521.38	247,909,915.02
(i) Provision	154,473,279.16	36,789,528.65	191,262,807.81
(ii) Others	51,588,114.48	5,058,992.73	56,647,107.21
Decrease during the reporting period	3,692,865.40		3,692,865.40
(i) Disposal	289,811.23		289,811.23
(ii) Others	3,403,054.17		3,403,054.17

Items	Building and plants	Land use rights	Total
Balance as at 31 December 2024	1,049,199,416.24	278,304,373.53	1,327,503,789.77
Provision for impairment:			
Balance as at 31 December 2023	427,083.05		427,083.05
Increase during the reporting period	80,243.47		80,243.47
(i) Provision	80,243.47		80,243.47
Decrease during the reporting period	507,326.52		507,326.52
(i) Others	507,326.52		507,326.52
Balance as at 31 December 2024			
Carrying amount:			
Balance as at 31 December 2024	4,289,684,633.40	1,262,166,385.91	5,551,851,019.31
Balance as at 31 December 2023	4,187,192,791.59	1,228,054,684.66	5,415,247,476.25

(b) Investment properties without certificate of title

Items	Carrying amount
Senlong Real Estate commercial and office buildings	425,274,974.96
Xiangyu develops Haixi Commodity City	46,614,518.84
Xiangyu Development customs supervision warehouse	18,156,965.71
Xiangyu Development cross-strait cross-border e-commerce warehouse	34,960,191.66
Building A, Anyang Xiangdao Bulk Cargo Yard Management Center	9,128,304.66
Danling Yuefu Shops	8,508,950.95
Total	542,643,906.78

Note: As at 31 December 2024, please refer to Note 8.70 for the pledge of investment properties of the Company.

8.19 Fixed Assets

(a) Fixed assets by category

Items	31 December 2024	31 December 2023
Fixed assets	36,137,194,450.27	37,472,679,438.64
Disposal of fixed assets		
Total	36,137,194,450.27	37,472,679,438.64

(b) Fixed Assets

(i) General information of fixed assets

Items	Plant and buildings	Fixture and other facilities	Machinery equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
Initial cost:							
Balance as at 31 December 2023	16,152,872,952.53	6,158,870,037.33	22,814,399,820.03	1,340,332,883.54	404,859,606.92	70,289,344.43	46,941,624,644.78
Increase during the reporting period	876,995,887.96	132,402,134.69	1,274,006,643.92	121,246,040.21	32,770,831.71	12,592,547.95	2,450,014,086.44
(i) Acquisition	234,267,652.99	30,602,321.23	821,208,583.25	116,035,392.43	31,058,109.05	8,541,659.48	1,241,713,718.43
(ii) Transfer from construction in progress	328,240,611.08	95,667,190.17	66,499,556.94	2,454,338.82	1,324,506.80	3,654,154.86	497,840,358.67
(iii) Business combination					4,212.56		4,212.56
(iv) Others	314,487,623.89	6,132,623.29	386,298,503.73	2,756,308.96	384,003.30	396,733.61	710,455,796.78
Decrease during the reporting period	691,011,825.25	68,627,878.10	683,158,755.58	172,446,565.52	28,249,857.35	6,037,381.96	1,649,532,263.76
(i) Disposal	103,041,668.23	67,265,342.08	676,686,670.84	46,559,188.18	20,837,815.06	4,435,842.46	918,826,526.85
(ii) Others	587,970,157.02	1,362,536.02	6,472,084.74	125,887,377.34	7,412,042.29	1,601,539.50	730,705,736.91
Balance as at 31 December 2024	16,338,857,015.24	6,222,644,293.92	23,405,247,708.37	1,289,132,358.23	409,380,581.28	76,844,510.42	47,742,106,467.46
Accumulated depreciation:							
Balance as at 31 December 2023	2,427,322,968.20	1,000,496,625.89	5,342,183,340.23	356,837,994.45	258,554,019.48	42,348,585.19	9,427,743,533.44
Increase during the reporting period	622,320,311.76	197,581,909.20	1,706,924,816.94	85,067,110.58	57,212,123.08	10,360,898.64	2,679,467,170.20
(i) Provision	592,908,913.31	197,220,428.17	1,642,487,309.46	84,210,921.24	57,025,120.72	10,141,080.62	2,583,993,773.52
(ii) Others	29,411,398.45	361,481.03	64,437,507.48	856,189.34	187,002.36	219,818.02	95,473,396.68
Decrease during the reporting period	65,199,517.74	35,078,384.55	328,201,646.40	44,186,541.82	26,622,706.03	3,620,435.27	502,909,231.81
(i) Disposal	27,689,525.69	18,532,500.22	324,847,911.04	31,994,462.45	23,705,628.88	3,278,178.59	430,048,206.87

Items	Plant and buildings	Fixture and other facilities	Machinery equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
(ii) Others	37,509,992.05	16,545,884.33	3,353,735.36	12,192,079.37	2,917,077.15	342,256.68	72,861,024.94
Balance as at 31 December 2024	2,984,443,762.22	1,163,000,150.54	6,720,906,510.77	397,718,563.21	289,143,436.53	49,089,048.56	11,604,301,471.83
Provision for impairment:							
Balance as at 31 December 2023			41,091,887.58	17,425.17	92,359.95		41,201,672.70
Increase during the reporting period							
(i) Provision							
(ii) Others							
Decrease during the reporting period			40,555,290.09	17,425.17	18,412.08		40,591,127.34
(i) Disposal			40,555,290.09	17,425.17	18,412.08		40,591,127.34
Balance as at 31 December 2024			536,597.49		73,947.87		610,545.36
Carrying amount:							
Balance as at 31 December 2024	13,354,413,253.02	5,059,644,143.38	16,683,804,600.11	891,413,795.02	120,163,196.88	27,755,461.86	36,137,194,450.27
Balance as at 31 December 2023	13,725,549,984.33	5,158,373,411.44	17,431,124,592.22	983,477,463.92	146,213,227.49	27,940,759.24	37,472,679,438.64

(ii) Fixed assets acquired under finance leases

Items	Carrying amount at 31 December 2024
Machinery equipment	886,081,716.19
Transportation equipment	419,787,016.77
Plant and buildings	90,759,387.91
Total	1,396,628,120.87

(iii) Fixed assets without certificate of title

Items	Carrying amount at 31 December 2024
Benxi Steel Baojin Processing and Distribution Project (Phase I)	56,193,271.22
Building No. 59, Zhenbang Road, Heping Wharf	683,866.23
Xiangyu Haizhuang Dormitory Building #1, 2	241,279.92
Xiangyu Haizhuang Dormitory Building #3, 4	7,901,081.66
Anyang Xiangdao 1# Warehouse	6,639,594.34
Xinjiang Xiangdao Comprehensive Building and Office Building	54,351,710.43
Fujin biochemical Plant and buildings	18,549,596.43
Harbin Xiangbai Plant and buildings	11,674,731.32
Suihua Biochemical Plant and buildings	21,542,449.17
Senlong Real Estate commercial and office buildings	85,315,442.79
Peace Wharf New Passenger Terminal	4,850,488.46
Total	267,943,511.97

(c) Idle fixed assets

Items	Initial cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery equipment	120,034,739.14	43,864,334.49	536,597.49	75,633,807.16

(d) As at 31 December 2024, please refer to Note 8.70 for the fixed assets under mortgage of the Company.

8.20 Construction in Progress

(a) Construction in progress by category

Items	31 December 2024	31 December 2023
Construction in progress	5,272,092,761.51	4,095,213,588.70
Construction materials	44,925,717.44	107,080,297.01
Total	5,317,018,478.95	4,202,293,885.71

(b) Construction in progress

(i) General information of construction in progress

Items	31 December 2024	31 December 2023
Technical transformation project of ferronickel and stainless steel integrated smelting plant	2,393,643,122.53	2,250,659,655.30
Shopping malls and underground parking spaces at No. 17-19 Donggang North Road	501,620,708.16	503,153,192.12
Terminal Building of Lot 7# in Cruise Home Port Area	503,408,536.88	492,975,865.07
0-4# Berth Reconstruction Project of Cruise Home Port Area	401,941,000.68	384,119,017.92
5,000-ton wharf in the modern logistics park	98,642,533.30	98,642,533.30
Huli Innovation Park Project		73,574,708.17
Cruise Center Terminal Area Operation Improvement (Cultural Tourism City) Project	765,201,945.67	55,285,104.01
Anyang Xiangdao Logistics Co, Ltd railway special line project		46,490,800.71
Dongping Mountain Tourism Project	34,648,029.77	33,525,898.41
Gas station and power station engineering	18,348,750.84	19,077,631.03
Dafeng Mining Engineering	13,418,793.77	16,528,781.97
Southeast Smart Supply Chain Industrial Park	4,898,574.36	14,974,764.17
Parking Garage and Apartment Support Project for Xiamen Xiangyu Wisdom Supply Chain	34,151,494.62	724,097.73
Qidong Xiangyu Marine Equipment Resumption of Work and Production	234,012,155.67	
Nantong Xiangyu Shipbuilding & Offshore Engineering Capacity Enhancement Construction Project	151,551,175.26	
Cruise Center New Terminal Building Equipment and Office Supporting Facilities Project	18,521,288.27	
Sanqiutian Wharf Reconstruction Project		12,197,156.00
Technology renovation project	37,514,991.18	9,466,654.36
Others	60,569,660.55	83,817,728.43
Total	5,272,092,761.51	4,095,213,588.70

(ii) Changes in significant projects of construction in progress

Projects	Budget	31 December 2023	Increase during the reporting period	Transfer to fixed asset	Decrease during the reporting period	31 December 2024
Technical transformation	18.063 billion	2,250,659,655.30	194,147,697.77	51,164,230.54		2,393,643,122.53

Projects	Budget	31 December 2023	Increase during the reporting period	Transfer to fixed asset	Decrease during the reporting period	31 December 2024
project of ferronickel and stainless steel integrated smelting plant						
Cruise Center Terminal Area Operation Improvement (Cultural Tourism City) Project	1.101 billion	55,285,104.01	765,170,735.67		55,253,894.01	765,201,945.67
Terminal Building of Lot 7# in Cruise Home Port Area	0.618 billion	492,975,865.07	10,432,671.81			503,408,536.88
0-4# Berth Reconstruction Project of Cruise Home Port Area	0.498 billion	384,119,017.92	17,821,982.76			401,941,000.68
Huli Innovation Park Project	0.197 billion	73,574,708.17	47,860,455.37		121,435,163.54	
Parking Garage and Apartment Support Project for Xiamen Xiangyu Wisdom Supply Chain	0.18 billion	724,097.73	33,427,396.89			34,151,494.62
Nantong Xiangyu Shipbuilding & Offshore Engineering Capacity Enhancement Construction Project	0.225 billion		163,531,458.79	11,980,283.53		151,551,175.26
Qidong Xiangyu Marine Equipment Factory Area Construction Project	0.313 billion		312,428,084.03	78,415,928.36		234,012,155.67
Total		3,257,338,448.20	1,544,820,483.09	141,560,442.43	176,689,057.55	4,483,909,431.31

(iii) For the details of construction in progress under mortgage as at 31 December 2024, please refer to Note 8.70.

8.21 Right-of-use Assets

Items	Plant and buildings	Fixture and other facilities	Machinery equipment	Transportation equipment	Land use right	Total
Initial cost:						
Balance as at 31 December 2023	2,766,074,794.54	10,976,179.27	353,901,127.86	56,060,732.83	46,903,420.65	3,233,916,255.15
Increase during the reporting period	131,970,519.96	37,142,979.59	74,388,194.01	43,004,395.83	116,576,778.28	403,082,867.67
Decrease during the reporting period	539,543,549.09	10,675,460.65	187,739,501.20	37,142,979.59	8,610,213.92	783,711,704.45
Balance as at 31 December 2024	2,358,501,765.41	37,443,698.21	240,549,820.67	61,922,149.07	154,869,985.01	2,853,287,418.37
Accumulated depreciation:						
Balance as at 31 December 2023	521,222,634.23	8,489,994.40	202,623,013.49	8,636,806.81	15,620,688.96	756,593,137.89
Increase during the reporting period	254,831,442.42	5,459,774.00	16,011,090.68	16,010,902.81	26,104,290.84	318,417,500.75
Decrease during the reporting period	131,621,366.52	3,597,471.96	50,505,001.87	5,275,210.20	8,529,129.69	199,528,180.24
Balance as at 31 December 2024	644,432,710.13	10,352,296.44	168,129,102.30	19,372,499.42	33,195,850.11	875,482,458.40
Provision for impairment:						
Balance as at 31 December 2023						
Increase during the reporting period						
Decrease during the reporting period						
Balance as at 31 December 2024						
Carrying amount:						
Balance as at 31 December 2024	1,714,069,055.28	27,091,401.77	72,420,718.37	42,549,649.65	121,674,134.90	1,977,804,959.97
Balance as at 31 December 2023	2,244,852,160.31	2,486,184.87	151,278,114.37	47,423,926.02	31,282,731.69	2,477,323,117.26

8.22 Intangible Assets

(a) General information of intangible assets

Items	Land usage right	Software	Patent	Know-how	Forest right	Others	Total
Initial cost:							
Balance as at 31 December 2023	4,711,886,942.55	412,794,989.32	51,399,926.86	13,639,722.53	69,659,597.24	1,114,261.66	5,260,495,440.16
Increase during the reporting period	226,544,589.67	87,388,492.29	4,513,572.32	566,037.74		36,091,963.67	355,104,655.69
(i) Acquisition	220,573,406.76	73,153,954.66	3,248,510.75	566,037.74		36,091,963.67	333,633,873.58
(ii) Others	5,971,182.91	14,234,537.63	1,265,061.57				21,470,782.11
Decrease during the reporting period	119,234,679.91	13,271,346.36	7,521,628.11	153,276.72	5,492,896.67	1,052,011.66	146,725,839.43
(i) Disposal	48,092,607.34	947,359.24					49,039,966.58
(ii) Others	71,142,072.57	12,323,987.12	7,521,628.11	153,276.72	5,492,896.67	1,052,011.66	97,685,872.85
Balance as at 31 December 2024	4,819,196,852.31	486,912,135.25	48,391,871.07	14,052,483.55	64,166,700.57	36,154,213.67	5,468,874,256.42
Accumulated amortisation:							
Balance as at 31 December 2023	617,937,891.15	171,266,080.88	34,950,057.89	3,922,577.44	7,793,861.92	487,590.10	836,358,059.38
Increase during the reporting period	113,175,757.82	51,032,334.61	4,805,377.08	2,085,471.61	1,270,773.23	349,709.00	172,719,423.35
(i) Provision	105,852,664.54	50,878,461.17	4,117,979.58	2,085,471.61	1,270,773.23	349,709.00	164,555,059.13
(ii) Others	7,323,093.28	153,873.44	687,397.50				8,164,364.22
Decrease during the reporting period	13,745,797.42	9,012,357.91	7,512,369.60	153,276.72		483,606.10	30,907,407.75
(i) Disposal	7,631,520.28	814,426.55					8,445,946.83
(ii) Others	6,114,277.14	8,197,931.36	7,512,369.60	153,276.72		483,606.10	22,461,460.92

Items	Land usage right	Software	Patent	Know-how	Forest right	Others	Total
Balance as at 31 December 2024	717,367,851.55	213,286,057.58	32,243,065.37	5,854,772.33	9,064,635.15	353,693.00	978,170,074.98
Provision for impairment:							
Balance as at 31 December 2023		3,970,658.47					3,970,658.47
Increase during the reporting period							
Decrease during the reporting period		3,970,658.47					3,970,658.47
Balance as at 31 December 2024							
Carrying amount:							
Balance as at 31 December 2024	4,101,829,000.76	273,626,077.67	16,148,805.70	8,197,711.22	55,102,065.42	35,800,520.67	4,490,704,181.44
Balance as at 31 December 2023	4,093,949,051.40	237,558,249.97	16,449,868.97	9,717,145.09	61,865,735.32	626,671.56	4,420,166,722.31

(b) Land use rights without certificate of title

Items	Carrying amount
Xiangyu Development 2011XP03-1-2 plots	54,398,526.09
Cruise home port 0-4# berth plot	65,061,663.30
Yi'an County Pengyu Commercial Logistics Co., Ltd. (100,000 square meters in Beidadi)	12,668,529.46
Land of Harbin Xiangbai Biotechnology Co., Ltd	4,348,249.14
Land of Fujin Xiangyu Jingu Biochemical Technology Co., Ltd.	5,988,307.37
Land of Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	45,308,989.10
Total	187,774,264.46

(c) For the details of intangible assets under mortgage as at 31 December 2024, please refer to Note 8.70.

8.23 Development expenditures

Items	31 December 2023	Increase during the reporting period		Decrease during the reporting period		31 December 2024
		Internal Development Expenditure	Others	Recognized as Intangible Assets	Transferred to Current Profit and Loss	
Research and development of Jinxiang Biochemical management system	873,786.41				873,786.41	
Commodity supply chain and integrated logistics service information technology platform	10,773,087.28	20,486,013.78		14,078,653.57		17,180,447.49
Cruise Homeport Management and Marketing Service Platform			3,419,589.70	676,643.38		2,742,946.32
Total	11,646,873.69	20,486,013.78	3,419,589.70	14,755,296.95	873,786.41	19,923,393.81

8.24 Goodwill

(a) Initial recognition

Investees or matters that goodwill arising from	31 December 2023	Increase during the reporting period (Business combination)	Decrease during the reporting period	31 December 2024
Xiamen Xiangyu Singamas Container Co., Ltd.	3,165,266.31			3,165,266.31
PT Obsidian Stainless Steel	772,211.73			772,211.73
Xiamen Suchuan Customs Broker Co., Ltd.	163,562.93			163,562.93
Shenyang Xiangyu New Material Technology Co., Ltd.	3,889,405.93			3,889,405.93
Xiamen Huanzi Mining Technology Co., Ltd.	2,692,661.99			2,692,661.99

Investees or matters that goodwill arising from	31 December 2023	Increase during the reporting period (Business combination)	Decrease during the reporting period	31 December 2024
Xiamen Railway Logistics Investment Co., Ltd.	16,175,079.61			16,175,079.61
Zhangzhou Haida Shipping Co., Ltd.	1,727,566.49			1,727,566.49
Fujian Xiangyu Shell Oil Co., Ltd.	8,422,312.12			8,422,312.12
Qingdao Damei Sealing Technology Co., Ltd.	6,811,258.60			6,811,258.60
Beijing Shunxin Hengsheng Small Loan Co., Ltd.		5,366,659.98		5,366,659.98
Total	43,819,325.71	5,366,659.98		49,185,985.69

(b) Provision for impairment

The Company adopts the method of the present value of estimated future cash flow to calculate the recoverable amount of the asset group. According to the financial budget approved by the management, the Company estimates the cash flow of the above-mentioned major subsidiaries in the next five years, and adopts stable cash flow in the subsequent years. The management prepares the above financial budget based on past performance and its expectation of market development. The Company converts the weighted average cost of capital into a pre-tax discount rate, which is used to calculate the present value of future cash flows, which has reflected the risks relative to the relevant segment. After testing, the provision for impairment of goodwill at the end of the period is as follows:

Investees or matters that goodwill arising from	31 December 2023	Increase during the reporting period		Decrease during the reporting period		31 December 2024
		Provision	Others	Disposal	Others	
Xiamen Suchuan Customs Broker Co., Ltd.	163,562.93					163,562.93

8.25 Long-term Deferred Expenses

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period		31 December 2024
			Amortisation	Other decrease	
Engineering and equipment improvement expenditures	189,197,537.98	81,728,605.17	80,135,149.63	1,330,707.88	189,460,285.64
Decoration and repair costs	279,470,552.38	64,017,514.13	54,574,686.30	11,181,159.22	277,732,220.99
Insurance	19,058,927.70		4,866,109.20		14,192,818.50
Others	30,088,985.96	15,404,714.21	15,092,460.47	4,005,365.89	26,395,873.81
Total	517,816,004.02	161,150,833.51	154,668,405.60	16,517,232.99	507,781,198.94

8.26 Deferred Tax Assets and Deferred Tax Liabilities

(a) Deferred tax assets before offsetting

Items	31 December 2024	31 December 2023
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	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment loss	1,243,689,743.48	310,800,473.44	860,688,771.70	215,162,649.91
Provision for credit impairment	3,800,706,521.50	944,647,014.77	2,532,332,964.35	613,206,507.23
Deductible losses	11,102,838,541.97	2,743,851,100.65	8,188,749,839.44	2,022,704,330.68
Changes in fair value for trading financial assets and derivative financial instruments	663,835,421.29	165,958,854.56	610,038,532.87	152,508,722.20
Forecast gross profit	4,172,688,226.49	1,043,172,056.65	6,121,728,227.36	1,530,432,056.76
Accrued salary and expense	1,504,134,042.53	374,912,424.69	1,479,317,003.49	368,958,144.48
Taxes accrued but not paid	493,746,519.35	123,436,629.84	505,552,572.49	126,388,143.12
Unrealised intragroup profit	231,034,384.01	57,758,595.99	156,744,670.23	39,186,167.54
Difference between carrying amount and tax base from long-term assets	395,345,648.71	97,524,349.34	214,633,292.29	52,604,837.32
Tax and accounting differences under the new lease standard	881,060,474.68	217,624,828.59	797,638,080.84	194,866,521.27
Government grant	141,391,836.44	34,826,644.47	147,958,884.20	36,448,633.03
Provision for guarantee loss	15,078,801.36	3,769,700.34	14,883,940.61	3,720,985.15
Deductible advertisement and promoting cost	1,634,205.17	408,551.29	1,456,373.23	364,093.31
Hedged items	228,240,142.39	57,060,035.60	10,696,792.35	2,674,198.09
Estimated liabilities	21,861,662.50	5,465,415.62	82,609,126.32	20,652,281.58
Receipts in advance	454,965,132.75	111,397,560.24	285,193,245.69	68,817,473.88
Share-based payment	1,114,306.09	272,808.48	88,943,793.92	21,556,075.03
Total	25,353,365,610.71	6,292,887,044.56	22,099,166,111.38	5,470,251,820.58

(b) Deferred tax liabilities before offsetting

Items	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Valuation of financial assets held-for-trading and derivative financial instruments	1,379,511,393.96	344,798,570.52	1,382,423,474.39	345,597,471.60
Tax prepaid	1,592,595,344.89	398,148,836.24	1,562,082,717.30	390,520,679.31
Unrealised intragroup profit	32,463,159.08	8,115,789.77		
Hedged items	318,350,406.98	79,587,601.75	40,848,596.65	10,212,149.16
Cost to obtain a contract	301,547,260.08	75,386,815.03	298,576,625.92	74,644,156.50
Assets appreciation from business combination not	310,495,797.10	77,623,949.32	316,202,628.02	78,240,638.20

Items	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
under common control				
Difference between carrying amount and tax base from long-term assets	625,771,375.44	141,129,296.68	624,653,907.06	143,632,763.32
Tax and accounting differences under the new lease standard	842,219,761.25	207,993,974.35	764,698,869.91	186,782,879.13
Others	2,390,825.27	540,696.19		
Total	5,405,345,324.05	1,333,325,529.85	4,989,486,819.25	1,229,630,737.22

(c) Net balance of deferred tax liabilities and deferred tax assets after offsetting

Items	Offset amount at 31 December 2024	Net balance after offsetting at 31 December 2024	Offset amount at 31 December 2023	Net balance after offsetting at 31 December 2023
Deferred tax assets	1,005,220,731.12	5,287,666,313.44	1,003,472,860.08	4,466,778,960.50
Deferred tax liabilities	1,005,220,731.12	328,104,798.73	1,003,472,860.08	226,157,877.14

8.27 Other Non-current Assets

Items	31 December 2024	31 December 2023
Deductible Input VAT	2,365,907,304.86	4,907,988,699.25
Prepayment for project	658,692,445.25	619,467,157.88
Advance Investment Payment	4,014,092,628.93	
Time deposit	310,189,663.11	1,161,289,137.96
Agent construction project	155,272,666.96	155,587,329.96
Prepayment for cooperative planting	7,699,718.48	12,689,099.48
Land-transferring expense	950,067,144.29	456,350,679.67
Deferred Income from Sale and Leaseback		39,136,961.05
Costs to obtain a contract	114,675,506.34	89,347,715.77
Others	4,953,283.79	6,452,857.55
Total	8,581,550,362.01	7,448,309,638.57

8.28 Short-term Borrowings

Items	31 December 2024	31 December 2023
Guarantee loans	24,104,338,399.21	22,022,901,269.41
Trade Financing Loan	14,522,915,771.77	13,901,094,106.07
Guarantee loans	17,966,373,300.02	9,798,327,169.00
Pledged loans		633,894,778.52

Items	31 December 2024	31 December 2023
Mortgaged and guaranteed loans	200,000,000.00	120,000,000.00
Guaranteed and pledged loans		136,900,000.00
Interest payable	83,954,062.72	86,702,943.37
Total	56,877,581,533.72	46,699,820,266.37

8.29 Derivative Financial Liabilities

Items	31 December 2024	31 December 2023
1. Derivative financial liabilities without designated hedging relationship		
Foreign exchange option	111,123,036.63	428,027,481.67
Forward exchange contract	85,816,193.85	337,527,381.12
Over the Counter Options	161,519,220.14	160,418,072.25
Futures contract	100,459,666.50	71,666,107.51
Commodity option contract	15,368,385.54	45,955,166.34
Foreign exchange swap	153,038.92	6,599,530.13
Precious metal trading Contract		290,685.56
Interest rate swap		42,500.00
2. Hedging instruments		
Commodity futures contract	3,463,990.00	7,308,450.45
Foreign exchange derivatives	396,623,422.66	53,586,052.29
Total	874,526,954.24	1,111,421,427.32

8.30 Notes Payable

Items	31 December 2024	31 December 2023
Bank acceptance bills	27,610,942,745.15	27,790,625,270.38
Commercial acceptance bills	489,229,611.20	1,644,859,267.01
Total	28,100,172,356.35	29,435,484,537.39

8.31 Accounts Payable

Items	31 December 2024	31 December 2023
Within 1 year (including 1 year)	18,282,427,379.68	20,355,806,376.40
1-2 years (including 2 years)	741,957,045.69	548,033,339.86
2-3 years (including 3 years)	232,245,240.50	232,363,084.74
Over 3 years	250,973,727.71	161,849,658.84
Total	19,507,603,393.58	21,298,052,459.84

8.32 Receipts in advance

Items	31 December 2024	31 December 2023
Within 1 year (including 1 year)	69,053,598.15	77,115,903.28
Over 1 year	6,316,567.54	4,395,110.29
Total	75,370,165.69	81,511,013.57

8.33 Contract liabilities

Items	31 December 2024	31 December 2023
Advances for goods	7,878,885,465.94	8,021,978,944.52
Pre-sale house payment	30,916,034,200.77	43,675,875,034.12
Contract liabilities related to shipbuilding	3,839,487,329.09	2,125,953,357.38
Integrated logistics, payment and others	275,721,569.81	123,087,216.80
Total	42,910,128,565.61	53,946,894,552.82

8.34 Employee Benefits Payable

(a) Details of employee benefits payable

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Short-term employee benefits	1,672,735,443.93	4,870,224,501.58	4,768,365,818.71	1,774,594,126.80
Post-employment benefits-defined contribution plans	6,632,022.71	386,445,911.70	384,286,918.71	8,791,015.70
Termination benefits	4,667,455.68	54,190,324.17	53,381,299.07	5,476,480.78
Other benefits due within one year	2,998,621.80	3,102,534.49	3,102,534.49	2,998,621.80
Total	1,687,033,544.12	5,313,963,271.94	5,209,136,570.98	1,791,860,245.08

(b) Short-term employee benefits

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Salaries, bonuses, allowances and subsidies	1,658,472,246.18	3,542,417,709.07	3,435,786,394.26	1,765,103,560.99
Employee benefits		189,853,982.86	189,853,982.86	
Social insurance	2,102,092.69	145,716,145.27	146,031,593.71	1,786,644.25
Including: Health insurance	460,083.81	111,113,217.19	111,344,697.67	228,603.33
Injury insurance	38,769.20	7,729,001.38	7,760,753.63	7,016.95
Birth insurance	26,732.65	6,945,127.82	6,967,453.14	4,407.33

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Other insurance	1,576,507.03	19,928,798.88	19,958,689.27	1,546,616.64
Housing accumulation fund	157,246.42	201,541,446.13	201,515,436.80	183,255.75
Labour union funds and employee education funds	7,985,690.75	43,159,507.03	44,316,420.20	6,828,777.58
Labor Dispatch	4,018,167.89	747,535,711.22	750,861,990.88	691,888.23
Total	1,672,735,443.93	4,870,224,501.58	4,768,365,818.71	1,774,594,126.80

(c) Defined contribution plans

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Basic endowment insurance	1,094,985.74	231,808,039.99	231,709,986.38	1,193,039.35
Unemployment insurance	26,341.56	7,607,856.91	7,605,884.72	28,313.75
Enterprise annuity	3,320,602.18	109,072,025.01	107,687,740.72	4,704,886.47
Others	2,190,093.23	37,957,989.79	37,283,306.89	2,864,776.13
Total	6,632,022.71	386,445,911.70	384,286,918.71	8,791,015.70

8.35 Taxes Payable

Items	31 December 2024	31 December 2023
Corporate income tax	1,071,399,829.13	906,276,216.49
Value added tax	300,813,977.60	306,983,932.11
City construction tax	14,438,347.47	16,354,872.47
Individual income tax	22,268,706.27	45,365,849.59
Property tax	44,908,738.41	39,595,902.86
Educational surcharge	6,445,649.26	7,466,915.87
Local education surcharge	4,297,361.23	4,984,042.57
Land use tax	9,309,641.27	8,540,683.33
Land appreciation tax	493,746,519.35	512,566,892.00
Others	91,035,279.10	96,843,677.68
Total	2,058,664,049.09	1,944,978,984.97

8.36 Other Payables

(a) Other payables by category

Items	31 December 2024	31 December 2023
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Items	31 December 2024	31 December 2023
Interest payable		
Dividend payable	557,246,987.48	380,558,319.88
Other payables	10,964,755,374.23	11,366,088,205.54
Total	11,522,002,361.71	11,746,646,525.42

(b) Dividends payable

Items	31 December 2024	31 December 2023
Dividends on perpetual capital securities classified as equity instruments	380,005,196.74	189,743,436.06
Dividends on ordinary shares	177,241,790.74	190,814,883.82
Total	557,246,987.48	380,558,319.88

(c) Other payables

Items	31 December 2024	31 December 2023
Within 1 year (including 1 year)	4,889,371,702.96	5,530,817,454.03
1-2 years (including 2 years)	2,685,364,839.16	3,392,586,263.05
2-3 years (including 3 years)	1,577,103,497.30	846,915,668.95
Over 3 years	1,812,915,334.81	1,595,768,819.51
Total	10,964,755,374.23	11,366,088,205.54

8.37 Non-current Liabilities Maturing within One Year

Items	31 December 2024	31 December 2023
Long-term borrowings due within one year	9,883,712,273.57	13,019,202,154.37
Bonds payable due within one year	10,104,299,047.66	1,299,291,290.83
Long-term payables due within one year	886,271,260.18	477,269,847.55
Lease liabilities due within one year	179,715,257.49	262,398,575.62
Non-current liabilities maturing within one year		8,557,360.03
Bond interest payable	418,022,645.47	344,732,810.06
Interest payable on long-term loans	49,130,843.19	61,738,213.75
Interest payable on long-term payables	2,208,533.97	1,054,856.39
Interest payable on non-current liabilities		586,995.65
Total	21,523,359,861.53	15,474,832,104.25

(a) Long-term borrowings due within one year

Items	31 December 2024	31 December 2023
Credit Loans	3,736,175,981.04	4,844,116,162.32
Mortgaged Loans	2,025,583.44	3,240,437.49
Guaranteed Loans	5,412,960,773.68	4,746,017,091.94
Mortgaged and Guaranteed Loans	309,120,000.00	574,020,000.00
Pledged and Guaranteed Loans	201,740,000.00	159,400,000.00
Mortgaged and Pledged Loans	16,000,000.00	
Mortgaged, Pledged and Guaranteed Loans	205,689,935.41	2,692,408,462.62
Total	9,883,712,273.57	13,019,202,154.37

(b) Long-term payables due within one year

Items	31 December 2024	31 December 2023
Lease payable	874,886,146.39	463,447,982.37
Installments payable	13,593,647.76	13,821,865.18
Total	888,479,794.15	477,269,847.55

8.38 Other Current Liabilities

(a) Other current liabilities by category

Items	31 December 2024	31 December 2023
Short-term bonds	15,078,311,735.17	7,565,176,439.11
Output tax to be transferred	3,571,321,388.98	4,854,238,798.64
Provision of guarantee compensation	12,116,745.92	11,923,705.92
Provision of undue liability guarantee	2,956,395.04	2,960,234.69
Hedged item from confirmed commitment for commodity procurement	237,573,113.04	11,438,526.75
Hedged item from confirmed commitment for commodity sold	24,513,054.76	2,876,419.21
Asset Support Special Plan	753,520,758.21	44,452.80
Accounts receivable factoring not derecognised	18,904,520.46	22,097,054.54
The payment related to the bills receivable that has been endorsed or discounted but not derecognised	63,626,953.52	102,571,777.12
Trust borrowings payable	432,491,577.75	1,021,575,342.47
Other financial liabilities	155,055,555.56	206,008,333.33
Total	20,350,391,798.41	13,800,911,084.58

(b) Change in short-term bonds payable

Bonds	Par value	Value date	Bond duration	Amount issued	31 December 2023
23 Xiangyu Group SCP011	100.00	2023-12-27	92 days	1,000,000,000.00	1,000,376,712.34
24 Xiangyu Group SCP001	100.00	2024-1-15	93 days	1,000,000,000.00	
24 Xiangyu Group SCP002	100.00	2024-3-4	92 days	1,000,000,000.00	
24 Xiangyu Group SCP003	100.00	2024-3-26	92 days	1,000,000,000.00	
24 Xiangyu Group SCP004	100.00	2024-4-23	92 days	1,000,000,000.00	
24 Xiangyu Group SCP005	100.00	2024-6-19	92 days	1,000,000,000.00	
24 Xiangyu Group SCP006	100.00	2024-8-2	136 days	1,500,000,000.00	
23 Xiangyu Xiangjin CP001	100.00	2023-4-21	366 days	500,000,000.00	510,000,000.00
23 Xiangyu Xiangjin CP002	100.00	2023-8-15	366 days	500,000,000.00	505,625,000.00
24 Xiangyu Xiangjin CP001	100.00	2024-4-12	153 days	500,000,000.00	
24 Xiangyu Xiangjin CP002	100.00	2024-8-22	365 days	500,000,000.00	
23 Xiangyu SCP006	100.00	2023-6-14	268 days	1,500,000,000.00	1,518,817,509.55
23 Xiangyu SCP007	100.00	2023-7-17	270 days	1,500,000,000.00	1,517,071,849.31
23 Xiangyu SCP008	100.00	2023-10-18	240 days	2,000,000,000.00	2,011,044,657.53
23 Xiangyu SCP009	100.00	2023-11-2	270 days	500,000,000.00	502,240,710.38
24 Xiangyu SCP001	100.00	2024-4-10	209 days	2,500,000,000.00	
24 Xiangyu SCP002	100.00	2024-6-21	238 days	2,000,000,000.00	
24 Xiangyu SCP003	100.00	2024-7-3	240 days	2,000,000,000.00	
24 Xiangyu SCP004	100.00	2024-9-26	211 days	1,500,000,000.00	
24 Xiangyu SCP005	100.00	2024-10-16	251 days	2,000,000,000.00	
24 Xiangyu SCP006	100.00	2024-10-30	260 days	2,000,000,000.00	
24 Xiangyu SCP007	100.00	2024-11-28	260 days	1,500,000,000.00	
24 Xiangyu SCP008	100.00	2024-12-12	180 days	1,000,000,000.00	
24 Xiangyu CP001	100.00	2024-12-17	365 days	1,000,000,000.00	
24 Xiangyu CP002	100.00	2024-12-25	365 days	1,500,000,000.00	
Total				32,000,000,000.00	7,565,176,439.11

(Continued)

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Repayment during the reporting period	31 December 2024
23 Xiangyu Group SCP011		6,535,855.98	1,006,912,568.32	

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Repayment during the reporting period	31 December 2024
24 Xiangyu Group SCP001	1,000,000,000.00	6,072,950.82	1,006,072,950.82	
24 Xiangyu Group SCP002	1,000,000,000.00	5,671,232.88	1,005,671,232.88	
24 Xiangyu Group SCP003	1,000,000,000.00	5,696,438.36	1,005,696,438.36	
24 Xiangyu Group SCP004	1,000,000,000.00	5,167,123.29	1,005,167,123.29	
24 Xiangyu Group SCP005	1,000,000,000.00	4,839,452.05	1,004,839,452.05	
24 Xiangyu Group SCP006	1,500,000,000.00	11,178,082.18	1,511,178,082.18	
23 Xiangyu Xiangjin CP001		5,000,000.00	515,000,000.00	
23 Xiangyu Xiangjin CP002		9,375,000.00	515,000,000.00	
24 Xiangyu Xiangjin CP001	500,000,000.00	4,883,424.66	504,883,424.66	
24 Xiangyu Xiangjin CP002	500,000,000.00	3,616,666.68		503,616,666.68
23 Xiangyu SCP006		6,444,785.53	1,525,262,295.08	
23 Xiangyu SCP007		10,481,429.38	1,527,553,278.69	
23 Xiangyu SCP008		24,758,621.16	2,035,803,278.69	
23 Xiangyu SCP009		8,013,387.98	510,254,098.36	
24 Xiangyu SCP001	2,500,000,000.00	29,918,493.15	2,529,918,493.15	
24 Xiangyu SCP002	2,000,000,000.00	21,679,452.05		2,021,679,452.05
24 Xiangyu SCP003	2,000,000,000.00	19,339,726.03		2,019,339,726.03
24 Xiangyu SCP004	1,500,000,000.00	8,876,712.33		1,508,876,712.33
24 Xiangyu SCP005	2,000,000,000.00	9,911,232.88		2,009,911,232.88
24 Xiangyu SCP006	2,000,000,000.00	8,629,041.10		2,008,629,041.10
24 Xiangyu SCP007	1,500,000,000.00	3,444,657.53		1,503,444,657.53
24 Xiangyu SCP008	1,000,000,000.00	1,200,000.00		1,001,200,000.00
24 Xiangyu CP001	1,000,000,000.00	941,095.89		1,000,941,095.89
24 Xiangyu CP002	1,500,000,000.00	673,150.68		1,500,673,150.68
Total	24,500,000,000.00	222,348,012.59	17,209,212,716.53	15,078,311,735.17

8.39 Long-term Borrowings

Items	31 December 2024	31 December 2023
Pledge loans		589,043,000.00
Mortgage loans	357,007,032.93	1,002,463,853.59
Guarantee loans	21,734,055,420.71	19,662,829,627.37

Items	31 December 2024	31 December 2023
Credit loans	11,564,303,925.76	9,214,168,047.60
Mortgaged and guaranteed Loans	1,746,400,000.00	1,810,980,000.00
Pledged and guaranteed Loans	999,819,322.07	555,195,493.69
Mortgaged and Pledged Loans	500,000,000.00	
Mortgaged, Pledged and Guaranteed Loans	3,668,438,498.45	6,288,163,852.28
Interest payable	49,130,843.19	61,738,213.75
Subtotal	40,619,155,043.11	39,184,582,088.28
Less: Long-term borrowings due within one year	9,932,843,116.76	13,080,940,368.12
Total	30,686,311,926.35	26,103,641,720.16

8.40 Bonds payable

(a) General information of bonds payable

Items	31 December 2024	31 December 2023
21 Xiangjin 03		301,048,986.04
22 Xiangjin 01	312,051,141.50	311,829,413.46
22 Xiangyu Jinxiang MTN001	510,178,301.87	510,178,301.87
HK XY INV N2509	3,559,879,303.36	3,491,811,291.84
20 Xiangyu G2	615,916,639.64	615,150,121.90
22 Xiangyu G1		1,028,074,138.11
22 Xiangyu G2	875,560,021.69	873,806,099.35
22 Xiangyu G4	1,203,092,856.00	1,201,889,234.33
22 Xiangyu GN003	654,132,461.25	652,375,075.20
22 Xiangyu MTN001	1,021,289,068.73	1,015,071,965.91
23 Xiangdi 01	1,363,512,442.12	1,362,670,796.12
23 Xiangyu Jinxiang MTN001	521,266,257.80	520,367,295.56
23 Xiangjin 01	516,463,851.79	515,532,788.30
23 Xiangjin 02	512,260,264.82	511,358,066.24
23 Xiangjin 03	1,017,448,986.88	1,016,436,071.92
24 Xiangjin 01	515,456,014.05	
24 Xiangjin 02	504,959,363.74	
23 Xiangyu G1	512,276,449.16	511,219,565.04
23 Xiangyu G2	716,947,480.08	715,980,773.42
23 Xiangyu G3	1,523,904,863.13	1,521,452,733.31
23 Xiangyu G4	567,685,902.00	566,974,355.40

Items	31 December 2024	31 December 2023
23 Xiangyu G5	986,938,569.68	985,795,551.83
24 Xiangyu G1	1,539,509,576.58	
24 Xiangyu G2	814,157,834.14	
24 Xiangyu G3	203,777,832.53	
24 Xiangyu MTN004	1,004,602,500.00	
Subtotal	21,573,267,982.54	18,229,022,625.15
Less: Bonds payable due within one year	10,522,321,693.13	1,644,024,100.89
Total	11,050,946,289.41	16,584,998,524.26

(b) Changes in bonds payable

Bonds	Par value	Value date	Bonds duration	Amount issued	31 December 2023
21 Xiangjin 03	100.00	2021-12-10	3 years	300,000,000.00	301,048,986.04
22 Xiangjin 01	100.00	2022-3-1	3 years	300,000,000.00	311,829,413.46
22 Xiangyu Jinxiang MTN001	100.00	2022-6-28	3 years	500,000,000.00	510,178,301.87
HK XY INV N2509	100.00	2022-9-22	3 years	3,470,523,000.00	3,491,811,291.84
20 Xiangyu G2	100.00	2020-3-12	5+2 years	600,000,000.00	615,150,121.90
22 Xiangyu G1	100.00	2022-2-24	2+1 years	1,000,000,000.00	1,028,074,138.11
22 Xiangyu G2	100.00	2022-2-24	3+2 years	850,000,000.00	873,806,099.35
22 Xiangyu G4	100.00	2022-11-24	3+2 years	1,200,000,000.00	1,201,889,234.33
22 Xiangyu GN003	100.00	2022-9-29	3 years	650,000,000.00	652,375,075.20
22 Xiangyu MTN001	100.00	2022-6-14	3 years	1,000,000,000.00	1,015,071,965.91
23 Xiangdi 01	100.00	2023-7-5	2+1 years	1,340,000,000.00	1,362,670,796.12
23 Xiangyu Jinxiang MTN001	100.00	2023-2-10	3 years	500,000,000.00	520,367,295.56
23 Xiangjin 01	100.00	2023-3-13	2 years	500,000,000.00	515,532,788.30
23 Xiangjin 02	100.00	2023-4-13	2 years	500,000,000.00	511,358,066.24
23 Xiangjin 03	100.00	2023-7-25	2 years	1,000,000,000.00	1,016,436,071.92
24 Xiangjin 01	100.00	2024-1-16	3 years	500,000,000.00	
24 Xiangjin 02	100.00	2024-6-18	5 years	500,000,000.00	
23 Xiangyu G1	100.00	2023-4-10	2+1 years	500,000,000.00	511,219,565.04
23 Xiangyu G2	100.00	2023-4-10	3+2 years	700,000,000.00	715,980,773.42
23 Xiangyu G3	100.00	2023-6-13	3 years	1,500,000,000.00	1,521,452,733.31
23 Xiangyu G4	100.00	2023-7-7	3 years	560,000,000.00	566,974,355.40
23 Xiangyu G5	100.00	2023-9-25	3 years	980,000,000.00	985,795,551.83
24 Xiangyu G1	100.00	2024-1-29	3 years	1,500,000,000.00	

Bonds	Par value	Value date	Bonds duration	Amount issued	31 December 2023
24 Xiangyu G2	100.00	2024-3-11	3 years	800,000,000.00	
24 Xiangyu G3	100.00	2024-3-11	5 years	200,000,000.00	
24 Xiangyu MTN004	100.00	2024-7-4	5 years	1,000,000,000.00	
Subtotal				22,450,523,000.00	18,229,022,625.15
Less: Bonds payable due within one year					1,644,024,100.89
Total					16,584,998,524.26

(Continued)

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2024
21 Xiangjin 03		13,767,250.00	199,513.96	315,015,750.00	
22 Xiangjin 01		14,522,057.00	220,397.04	14,520,726.00	312,051,141.50
22 Xiangyu Jinxiang MTN001		21,300,000.00		21,300,000.00	510,178,301.87
HK XY TNV N2509		199,050,360.25	67,329,961.27	198,312,310.00	3,559,879,303.36
20 Xiangyu G2		21,480,000.00	766,517.74	21,480,000.00	615,916,639.64
22 Xiangyu G1		5,716,666.66	509,195.21	1,034,299,999.98	
22 Xiangyu G2		31,024,999.99	1,753,922.35	31,025,000.00	875,560,021.69
22 Xiangyu G4		50,880,000.00	1,203,621.67	50,880,000.00	1,203,092,856.00
22 Xiangyu GN003		23,074,999.99	1,757,386.06	23,075,000.00	654,132,461.25
22 Xiangyu MTN001		41,166,666.65	3,050,436.17	38,000,000.00	1,021,289,068.73
23 Xiangdi 01		49,580,000.00	841,646.00	49,580,000.00	1,363,512,442.12
23 Xiangyu Jinxiang MTN001		24,399,999.96	898,962.28	24,400,000.00	521,266,257.80
23 Xiangjin 01		19,901,824.20	930,234.29	19,900,995.00	516,463,851.79
23 Xiangjin 02		18,751,562.51	901,573.57	18,750,937.50	512,260,264.82
23 Xiangjin 03		37,800,000.00	1,012,914.96	37,800,000.00	1,017,448,986.88
24 Xiangjin 01	500,000,000.00	16,500,000.00	-1,043,985.95		515,456,014.05
24 Xiangjin 02	500,000,000.00	6,325,000.02	-1,365,636.28		504,959,363.74
23 Xiangyu G1		18,950,000.00	1,056,884.12	18,950,000.00	512,276,449.16
23 Xiangyu G2		27,440,000.00	966,706.66	27,440,000.00	716,947,480.08
23 Xiangyu G3		55,500,000.00	2,452,129.82	55,500,000.00	1,523,904,863.13
23 Xiangyu G4		21,280,000.00	711,546.60	21,280,000.00	567,685,902.00
23 Xiangyu G5		36,162,000.00	1,143,017.85	36,162,000.00	986,938,569.68
24 Xiangyu G1	1,500,000,000.00	43,312,500.00	-3,802,923.42		1,539,509,576.58
24 Xiangyu G2	800,000,000.00	14,826,666.66	-668,832.52		814,157,834.14

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2024
24 Xiangyu G3	200,000,000.00	4,500,000.00	-722,167.47		203,777,832.53
24 Xiangyu MTN004	1,000,000,000.00	13,750,000.00	-9,147,500.00		1,004,602,500.00
Subtotal					21,573,267,982.54
Less: Bonds payable due within one year					10,522,321,693.13
Total					11,050,946,289.41

8.41 Lease liabilities

Items	31 December 2024	31 December 2023
Lease payments	1,194,983,363.25	1,595,098,148.17
Less: Unrealised finance expenses	192,220,406.02	264,329,340.99
Subtotal	1,002,762,957.23	1,330,768,807.18
Less: lease liabilities due within one year	179,715,257.49	262,398,575.62
Total	823,047,699.74	1,068,370,231.56

8.42 Long-term Payables

(a) Long-term payables by category

Items	31 December 2024	31 December 2023
Long-term payables	1,820,971,872.01	1,998,129,908.07
Specific items payable	16,983,270.87	16,872,571.86
Subtotal	1,837,955,142.88	2,015,002,479.93
Less: Long-term payables due within one year	888,479,794.15	478,324,703.94
Total	949,475,348.73	1,536,677,775.99

(b) Long-term payables by nature

Items	31 December 2024	31 December 2023
Lease payable	1,795,540,117.57	1,972,200,640.41
Payable in installments	13,593,647.76	13,821,865.18
Special bond for Sanqiutian Wharf reconstruction project	7,066,966.64	7,034,599.44
The balance of construction agency funds and government funding	4,771,140.04	5,072,803.04
Subtotal	1,820,971,872.01	1,998,129,908.07
Less: Long-term payables due within one year	888,479,794.15	478,324,703.94
Total	932,492,077.86	1,519,805,204.13

(c) Top five closing balances of specific items payable

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Central Fishing Port Emergency Shelter	5,702,072.00	1,761,314.04	1,662,954.04	5,800,432.00
Construction funds for the Xiamen-Guzhou route project	4,116,552.58			4,116,552.58
Repair typhoon damage	1,295,296.00			1,295,296.00
Xiangxing Wulu Municipal Renovation Project	808,183.61			808,183.61
Reformation project of Free Trade Zone office building	792,000.00			792,000.00
Total	12,714,104.19	1,761,314.04	1,662,954.04	12,812,464.19

8.43 Long-term Employee Benefits Payable

Items	31 December 2024	31 December 2023
Other long-term employee benefits	698,211,069.54	687,022,629.73

8.44 Estimated Liabilities

Items	31 December 2024	31 December 2023
Outstanding litigations	431,822.65	580,912.10
Product warranties	13,337,604.45	9,163,593.56
Estimated liabilities of associates	9,384,603.79	72,864,620.67
Total	23,154,030.89	82,609,126.33

Note: Estimated liabilities of associates are the debts expected to bear after offsetting the book value of the long-term equity investments of the associates.

8.45 Deferred Income

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Government grants	539,017,483.07	38,316,800.00	55,632,420.17	521,701,862.90

Note: For items related to government grants, please refer to Note 8.71.

8.46 Other Non-current Liabilities

Items	31 December 2024	31 December 2023
Factoring business financing payable		41,575,795.93

8.47 Share Capital

Name of shareholder	31 December 2024	31 December 2023
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	Proportion (%)	Amount	Proportion (%)	Amount
State-owned Assets Supervision and Administration Commission of Xiamen Government	100.00	1,775,908,300.00	100.00	1,775,908,300.00

8.48 Other Equity Instruments

Financial instruments issued	31 December 2023		Increase during the reporting period	
	Quantity (million)	Amount	Quantity (million)	Amount
2022 Xiangyu MTN002	20	2,000,000,000.00		
Bairui Hengyi No. 1090 Single Fund Trust	5	500,000,000.00		
Bairui Hengyi No. 1224 Single Fund Trust	5.7	570,000,000.00		
Xiamen Trust-Xingying No. 1 Single Fund Trust	2.7637	276,370,000.00		
Xiamen Trust-Xingying No. 2 Single Fund Trust	2.6336	263,360,000.00		
Xiamen Trust-Xingying No. 3 Single Fund Trust	3.6637	366,370,000.00		
Xiamen Trust-Xingying No. 4 Single Fund Trust	0.939	93,900,000.00		
2023 Xiangyu MTN001	23	2,300,000,000.00		
2023 Xiangyu MTN002	10	1,000,000,000.00		
Bank of Communications Guoxin-Yongfeng Hongli No. 3 Collective Fund Trust Plan	8.467	846,700,000.00		
2024 Xiangyu MTN001			15	1,500,000,000.00
2024 Xiangyu MTN002A			10	1,000,000,000.00
2024 Xiangyu MTN002B			5	500,000,000.00
2024 Xiangyu MTN003			10	1,000,000,000.00
2024 Xiangyu PPN001			8	800,000,000.00
Total		8,216,700,000.00		4,800,000,000.00

(Continued)

Financial instruments issued	Decrease during the reporting period		31 December 2024	
	Quantity (million)	Amount	Quantity (million)	Amount
2022 Xiangyu MTN002			20	2,000,000,000.00
Bairui Hengyi No. 1090 Single Fund Trust	5	500,000,000.00		
Bairui Hengyi No. 1224 Single Fund Trust			5.7	570,000,000.00

Financial instruments issued	Decrease during the reporting period		31 December 2024	
	Quantity (million)	Amount	Quantity (million)	Amount
Xiamen Trust-Xingying No. 1 Single Fund Trust	2.7637	276,370,000.00		
Xiamen Trust-Xingying No. 2 Single Fund Trust	2.6336	263,360,000.00		
Xiamen Trust-Xingying No. 3 Single Fund Trust	3.6637	366,370,000.00		
Xiamen Trust-Xingying No. 4 Single Fund Trust	0.939	93,900,000.00		
2023 Xiangyu MTN001			23	2,300,000,000.00
2023 Xiangyu MTN002			10	1,000,000,000.00
Bank of Communications Guoxin-Yongfeng Hongli No. 3 Collective Fund Trust Plan	3.587 份	358,700,000.00	4.88	488,000,000.00
2024 Xiangyu MTN001			15	1,500,000,000.00
2024 Xiangyu MTN002A			10	1,000,000,000.00
2024 Xiangyu MTN002B			5	500,000,000.00
2024 Xiangyu MTN003			10	1,000,000,000.00
2024 Xiangyu PPN001			8	800,000,000.00
Total		1,858,700,000.00		11,158,000,000.00

Note:

a) On 26 August 2022, the Company publicly issued medium-term notes (second tranche) (referred to as "2022 Xiangyu MTN002") to qualified investors. The bond has a maturity of 3+N years. The par interest rate for the first period of the current period is 4.01%, which RMB 2 billion was received.

b) On 30 March 2022, Bridge Trust Co., Ltd. established the "Bairui Hengyi No. 1090 Single Fund Trust (Xiangyu Group)" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 500 million.

c) On 27 December 2022, Bridge Trust Co., Ltd. established the "Bairui Hengyi No. 1224 Collective Fund Trust Plan (Xiangyu Group)" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 570 million.

d) On 30 September 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 276.37 million.

e) On 30 September 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 263.36 million.

- f) On 30 September 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 366.37 million.
- g) On 7 November 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 93.9 million.
- h) On 30 March 2023, the Company publicly issued 2023 renewable corporate bonds (first tranche) (referred to as "2023 Xiangyu MTN001") to qualified investors. The bond has a maturity of 2+N years. The par interest rate for the first cycle of the current period is 4.1%, which RMB 2,300 million was received.
- i) On 25 September 2023, the Company publicly issued 2023 renewable corporate bonds (second tranche) (referred to as "2023 Xiangyu MTN002") to qualified investors. The bond has a maturity of 2+N years. The par interest rate for the first cycle of the current period is 4.08%, which RMB 1,000 million was received.
- j) On 31 March 2023, Bank of Communications International Trust Co., Ltd. established "Bank of Communications Guoxin-Yongfeng Hongli No. 3 Collective Fund Trust Plan" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 1,500 million, which RMB 846.7 million was received.
- k) On 30 January 2024, the Company publicly issued medium-term notes (first tranche) (referred to as "2024 Xiangyu MTN001") to qualified investors. The bond has a maturity of 2+N years. The par interest rate for the first cycle of the current period is 3.25%, which RMB 1.5 billion was received.
- l) On 26 March 2024, the Company publicly issued medium-term notes (second tranche) (referred to as "2024 Xiangyu MTN002A") to qualified investors. The bond has a maturity of 2+N years. The par interest rate for the first cycle of the current period is 3.19%, which RMB 1 billion was received.
- m) On 26 March 2024, the Company publicly issued medium-term notes (second tranche) (referred to as "2024 Xiangyu MTN002B") to qualified investors. The bond has a maturity of 3+N years. The par interest rate for the first cycle of the current period is 3.5%, which RMB 0.5 billion was received.
- n) On 21 June 2024, the Company publicly issued medium-term notes (third tranche) (referred to as "2024 Xiangyu MTN003") to qualified investors. The bond has a maturity of 3+N years. The par interest rate for the first cycle of the current period is 2.63%, which RMB 1 billion was received.
- o) On 5 July 2024, the Company publicly issued private placement note (first tranche) (referred to as "2024 Xiangyu PPN001") to qualified investors. The bond has a maturity of 1+N years. The par interest rate for the first cycle of the current period is 2.34%, which RMB 0.8 billion was received.

8.49 Capital Reserves

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Capital premium	10,107,854,760.17	248,491,266.49	14,366,471.75	10,341,979,554.91
Other capital reserves	1,242,734,259.51	12,685,515.55	956,043,966.68	299,375,808.38
Total	11,350,589,019.68	261,176,782.04	970,410,438.43	10,641,355,363.29

Note:

(a) Capital premium

i) The State-owned Assets Supervision and Administration Commission of Xiamen Government transferred in 40% equity interest of Xiamen Xiangyu Group Fleet Development Construction Co., Ltd. and replaced 24% equity interest of Xiamen State Owned Capital Operation Co., Ltd., resulting in an increase in capital premium of RMB 80,420,053.65.

ii) The subsidiary Xiamen International Cruise Home Port Group Co., Ltd. constructs the terminal building and 0-4# berths, and the financial appropriation was converted into a capital premium of RMB 53,886,937.62.

iii) Due to the minority shareholders' capital injection in Xiamen Xiangyu Co., Ltd. during reporting period, the Company's equity interest in Xiamen Xiangyu Co., Ltd. was diluted but the control right was not lost. The difference between the investment amount of minority shareholders and the share of net assets at the time of capital injection increased the capital reserve by RMB 114,166,551.76.

iv) When repurchasing the minority shareholders' equity of Xiamen Xiangyu Co., Ltd., the difference between the newly acquired long-term equity investment by the Company and the proportionate share of the subsidiary's net assets, calculated continuously from the date of purchase or merger according to the new shareholding ratio, resulted in an increases in the capital premium by RMB17,723.46.

v) The renewable corporate bond underwriting fees paid in the current period offset the capital premium by RMB 14,366,471.75.

(b) Other capital reserves

i) Under the equity method of long-term equity investment, the Company and its subsidiaries recognized its portion based on the shareholding ratio and other capital reserves was decreased by RMB 5,637,927.67.

ii) Due to the loss of significant influence over the investee, the portion previously recognized as capital reserve under the equity method was transferred, resulting in a reduction of capital reserve by RMB 8,121,721.10.

iii) Due to the Company's subsidiary purchasing equity from minority shareholders of its

subsidiary, capital reserve was reduced by RMB 887,947,500.82.

iv) The underwriting fees for medium-term notes and renewable corporate bonds paid in the current period offset the capital premium by RMB 4,899,677.08.

v) Due to the unlocking of restricted stock and the exercise of stock options in the subsidiaries, capital reserve was reduced by RMB 49,437,140.01.

vi) The share-based payments settled by the subsidiary in current period, which were recognized as expenses, resulted in an increase in capital reserve of RMB 11,412,853.09.

vii) For equity-settled share-based payment, the Company uses the share price at the end of the period as the basis. If the amount that is expected to be deducted before tax in future period exceeds the costs and expenses recognized during the vesting period, the corresponding excess in deferred tax assets will be included in owners' equity. Additionally, other capital reserves increased by RMB 1,272,662.46.

8.50 Other Comprehensive Income

Items	31 December 2023	Changes during the reporting period		
		Amount before tax	Less: Items previously recognized in other comprehensive income being reclassified to current profit or loss	Less: Items previously recognized in other comprehensive income being reclassified to retained earning
(a)Items will not be reclassified to profit or loss	-352,036,023.58	213,542,466.79		-150,451,325.66
Including: comprehensive income will not be reclassified into profit or loss under equity method	-352,036,023.58	213,542,466.79		-150,451,325.66
(b)Items will be reclassified to profit or loss	342,341,217.92	237,950,540.75	-164,664,400.69	
Including: Other comprehensive income will be reclassified into profit or loss under equity method	34,411,084.39	87,007,477.24	12,015,763.30	
Cash flow hedge reserve	-9,113,944.29	-24,432,089.84	-176,680,163.99	
Exchange differences on translating foreign operations	317,044,077.82	175,375,153.35		
Total	-9,694,805.66	451,493,007.54	-164,664,400.69	-150,451,325.66

(Continued)

Items	Changes during the reporting period			31 December 2024
	Less: Income tax expenses	Attributable to owners of the Company	Attributable to non-controlling interest	
(a) Items will not be reclassified to profit or loss		213,542,466.79		11,957,768.87
Including: comprehensive income will not be reclassified into profit or loss under equity method		213,542,466.79		11,957,768.87
(b) Items will be reclassified to profit or loss	30,842,925.83	209,984,140.18	161,787,875.43	552,325,358.10
Including: Other comprehensive income will be reclassified into profit or loss under equity method		73,602,816.59	1,388,897.35	108,013,900.98
Cash flow hedge reserve	30,842,925.83	59,346,872.23	62,058,276.09	50,232,927.94
Exchange differences on translating foreign operations		77,034,451.36	98,340,701.99	394,078,529.18
Total	30,842,925.83	423,526,606.97	161,787,875.43	564,283,126.97

8.51 Specific Reserves

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Safety fund	659,463.80	13,626,021.74	13,280,235.98	1,005,249.56

8.52 Surplus Reserves

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
Statutory surplus reserves	416,602,139.09	83,319,834.56		499,921,973.65

8.53 General risk reserves

Items	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024
General risk reserves	22,338,459.25		396,488.11	21,941,971.14

6.54 Retained Earnings

Items	2024	2023
Balance as at the end of last period before adjustments	7,802,316,538.92	8,519,865,410.08
Adjustments for the opening balance (increase / (decrease))		
Balance as at the beginning of the reporting period after adjustments	7,802,316,538.92	8,519,865,410.08
Add:	177,171,591.04	106,277,001.53
Including: net profit attributable to owners of the parent company for the reporting period	177,171,591.04	102,864,345.88
other adjustments		3,412,655.65
Less:	742,067,174.12	823,825,872.69
Including: appropriation to statutory surplus reserves	83,319,834.56	79,575,445.96
provision for general risk reserves	-396,488.11	-4,090,414.55
payment of ordinary share dividends	451,623,602.01	748,340,841.28
others	207,520,225.66	
Balance at the end of the reporting period	7,237,420,955.84	7,802,316,538.92

8.55 Revenue and costs of sales

Items	2024		2023	
	Revenue	Costs of sales	Revenue	Costs of sales
Principal activities	415,580,763,335.98	402,164,611,719.44	488,709,981,146.05	476,251,077,036.46
Other activities	833,743,511.98	306,898,218.65	1,788,177,672.57	1,208,183,932.33
Total	416,414,506,847.96	402,471,509,938.09	490,498,158,818.62	477,459,260,968.79

Disaggregated information of revenue and costs of sales

Items	2024		2023	
	Revenue	Costs of sales	Revenue	Costs of sales
Commodity supply chain and service	380,116,047,351.24	374,200,873,333.87	477,784,083,035.84	469,717,014,366.82
Urban development and operations	31,941,285,407.84	26,492,907,474.59	8,343,675,370.57	5,908,176,869.92
Comprehensive finance	2,172,163,608.66	166,300,781.09	2,179,461,535.99	153,134,694.40
Others	2,185,010,480.22	1,611,428,348.54	2,190,938,876.22	1,680,935,037.65
Total	416,414,506,847.96	402,471,509,938.09	490,498,158,818.62	477,459,260,968.79

8.56 Selling and Distribution Expenses

Items	2024	2023
Operating expenses	1,447,308,906.10	1,048,148,460.19

Items	2024	2023
Employee compensation	1,357,470,394.83	1,067,907,038.35
Office expenses and depreciation	294,662,235.62	282,818,198.62
Functional expense	399,947,795.27	480,846,900.22
Total	3,499,389,331.82	2,879,720,597.38

8.57 General and Administrative Expenses

Items	2024	2023
Employee compensation	1,711,752,369.12	1,458,249,929.14
Administrative expense	477,872,771.22	462,533,008.96
Management & operating expenses	641,353,269.85	708,636,808.33
Other expense	76,997,587.04	44,679,671.97
Total	2,907,975,997.23	2,674,099,418.40

8.58 Research and Development Expenses

Items	2024	2023
Labour cost	57,050,939.80	57,765,741.87
Material cost	17,462,790.89	30,070,276.35
Others	53,971,519.28	78,988,588.34
Total	128,485,249.97	166,824,606.56

8.59 Finance Costs

Items	2024	2023
Interest expenses	4,776,097,642.82	5,700,191,301.85
Less: Capitalization of interests	775,666,637.79	917,361,088.98
Less: Interest income	622,221,350.08	688,039,178.05
Net interest expenses	3,378,209,654.95	4,094,791,034.82
Net foreign exchange losses	178,058,801.60	401,365,630.51
Bank charges and others	427,216,411.65	379,545,941.27
Total	3,983,484,868.20	4,875,702,606.60

8.60 Other Income

Items	2024	2023
Government grant related to deferred income (related to assets)	54,274,620.17	53,200,210.53
Government grant directly included in the current profit	556,902,303.41	716,585,336.40

Items	2024	2023
and loss (related to income)		
Others	8,083,522.39	12,319,783.96
Total	619,260,445.97	782,105,330.89

8.61 Investment Income/(Losses)

Items	2024	2023
Investment income from long-term equity investments under equity method	886,498,693.23	317,432,257.69
Gains on disposal of long-term equity investments	43,225,948.32	76,142,663.16
Gains and losses of hedging	55,480,514.23	-16,028,104.97
Performance commitment compensation income		46,549,285.30
Investment income from held-for-trading financial assets during holding period	305,622,969.94	283,035,697.01
Gains from cooperative planting and cooperative harvesting	-817,310.71	24,755,851.25
Interest income from debt investment during holding period	131,053,864.68	107,900,512.52
Gains on derecognition of financial assets at amortised cost	-22,241,550.32	-87,184,392.26
Gains on derecognition of financial assets at fair value through other comprehensive income	-185,979,641.32	-152,828,968.86
Gains on disposal of held-for-trading financial assets	382,129,660.47	-100,004,957.04
Others	212,138.21	-635,112.69
Total	1,595,185,286.73	499,134,731.11

8.62 Gains/(Losses) from Changes in Fair Values

Sources of gains on changes in fair value	2024	2023
Financial assets held-for-trading	1,043,972,634.99	425,989,819.27
Gains from changes of fair value of hedging instrument and hedged item	-60,258,698.13	23,889,757.05
Total	983,713,936.86	449,879,576.32

8.63 Credit Impairment Losses

Items	2024	2023
Bad debt of notes receivable	544,384.06	-4,327,080.92
Bad debt of accounts receivable	-444,024,524.89	-191,208,622.93
Loss of interest receivables		1,260,849.90
Bad debt of other receivables	-1,154,868,839.60	-996,593,017.58
Bad debt of long-term receivables	-19,350,654.04	-8,984,759.90

Items	2024	2023
Impairment of loans	-30,230,934.14	31,498,075.66
Impairment of factoring	-13,482,427.37	-27,288,207.35
Total	-1,661,412,995.98	-1,195,642,763.12

8.64 Asset Impairment Losses

Items	2024	2023
Impairment of inventories	-1,694,721,941.28	-752,840,092.57
Impairment of advances to suppliers	8,592,500.00	-8,592,500.00
Impairment of contract assets	-1,882,604.86	-123,713.30
Impairment of long-term equity investments	-21,838,764.71	-3,840,117.89
Impairment of investment properties	-80,243.47	-427,083.05
Impairment of fixed assets		-19,855,950.62
Total	-1,709,931,054.32	-785,679,457.43

8.65 Gains/ (losses) from Disposal of Assets

Items	2024	2023
Gains/(losses) from disposal of fixed assets and intangible assets not classified as held for sale	-102,483,463.94	51,125,098.22
Including: Fixed assets	-125,019,313.16	23,279,807.73
Intangible assets	9,033,661.04	20,533,566.25
Right of use assets	13,502,188.18	7,311,724.24
Total	-102,483,463.94	51,125,098.22

8.66 Non-operating Income**(a) Details of non-operating income**

Items	2024	2023
Compensation and liquidated damages	229,522,628.83	318,115,459.84
Government grants irrelevant to daily operation activities	330,000.00	110,780.00
Gains from the difference between the investment cost and the fair value of the identifiable net assets obtained at the acquisition of subsidiary		560,629.61
Gains from the sale of carbon emission allowances	8,679,245.28	
Others	41,919,128.10	43,933,221.66
Total	280,451,002.21	362,720,091.11

(b) Government grants irrelevant to daily operation activities

Items	2024	2023
Enterprise support development fund and tax incentives	330,000.00	100,000.00
Others		10,780.00
Total	330,000.00	110,780.00

8.67 Non-operating Expenses

Items	2024	2023
Fine and late payment penalty	14,698,084.62	9,577,324.78
Liquidated damages and compensation	153,405,523.61	122,428,389.03
Loss from damage or scrapping of non-current assets	32,304,559.68	12,148,974.72
Donations	3,263,276.51	5,646,700.53
Others	9,979,228.17	2,914,329.00
Total	213,650,672.59	152,715,718.06

8.68 Income Tax Expenses

Items	2024	2023
Current tax expenses	1,839,393,445.19	2,174,803,393.07
Deferred tax expenses	-746,258,999.51	-1,826,043,610.27
Total	1,093,134,445.68	348,759,782.80

8.69 Supplementary Information to the Statement of Cash Flows

(a) Supplementary information to the statement of cash flows

Supplementary information	2024	2023
(i) Adjustments of net profit to cash flows from operating activities:		
Net profit	1,256,916,198.45	995,196,008.13
Add: Provisions for impairment of assets	1,709,931,054.32	785,679,457.43
Impairment Loss of Credit	1,661,412,995.98	1,195,642,763.12
Depreciation of fixed assets and investment Properties	2,775,790,014.86	2,782,620,094.17
Depreciation of right-of-use assets	315,872,819.77	289,435,623.32
Amortisation of intangible assets	164,084,201.99	140,965,051.95
Amortisation of long-term deferred expenses	154,668,405.60	114,766,107.68
Losses /(gains) on disposal of fixed assets, intangible assets and other long-term assets	102,483,463.95	-51,125,098.22
Losses /(gains) on scrapping of fixed assets	32,304,559.68	12,143,894.03
Losses /(gains) on changes in fair value	-983,713,936.86	-449,879,576.32
Finance costs /(income)	4,431,070,308.53	5,224,295,914.99

Supplementary information	2024	2023
Investment losses /(income)	-1,595,185,286.73	-499,134,731.11
Decreases /(increases) in deferred tax assets	-861,361,940.80	-1,451,635,244.26
Increases /(decreases) in deferred tax liabilities	112,749,705.29	-390,150,766.98
Decreases /(increases) in inventories	10,577,343,247.95	-11,282,269,317.54
Decreases /(increases) in operating receivables	-8,201,382,927.31	-5,355,478,811.23
Increases /(decreases) in operating payables	-8,027,899,886.51	16,614,265,916.57
Others	49,842,400.93	87,675,916.42
Net cash flows from operating activities	3,674,925,399.09	8,763,013,202.15
(ii) Significant activities not involving cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under finance leases		
(iii) Net increases in cash and cash equivalents:		
Cash at the end of the reporting period	40,431,829,069.13	32,636,298,473.08
Less: Cash at the beginning of the reporting period	32,636,298,473.08	30,907,507,037.96
Add: Cash equivalents at the end of the reporting period		
Less: Cash equivalents at the beginning of the reporting period		
Net increase in cash and cash equivalents	7,795,530,596.05	1,728,791,435.12

(b) The components of cash and cash equivalents

Items	2024	2023
(i) Cash	40,431,829,069.13	32,636,298,473.08
Including: Cash on hand	706,047.72	648,735.69
Cash in bank available for immediate use	38,628,313,347.06	30,757,866,711.95
Other monetary funds available for immediate use	1,802,809,674.35	1,877,783,025.44
(ii) Cash equivalents		
(iii) Cash and cash equivalents at the end of the reporting period	40,431,829,069.13	32,636,298,473.08

(c) Supplier financing arrangements

(i) Terms and conditions of supplier financing arrangements

Supplier financing arrangement A: The Company's subsidiary utilizes accounts receivable claims (and any associated rights) from upstream suppliers to the Company and its subsidiaries as underlying assets. These receivables are first assigned to a factoring company, then transferred to a trust plan vehicle.

Supplier financing arrangement B: The Company's subsidiary issues electronic debt certificates to suppliers on the supply chain platform, reflecting accounts payable details including amounts and maturities. These certificates represent the subsidiary's unconditional payment obligations upon maturity. Upon receipt, suppliers may hold to maturity, request factoring financing, or transfer the payment rights. At maturity, the Company fulfills its payment obligation through settlement via the supply chain platform and designated financial institutions (or similar financial entities) to the final holder of the electronic debt certificates.

(ii) The classification and carrying amounts of financial liabilities related to supplier financing arrangements presented in the statement of financial position, and the corresponding amounts received by suppliers from financing providers

Items presented in the statement of financial position	31 December 2024
Other current liabilities	100,705,000.00
Including: the amounts received by suppliers	100,705,000.00
Accounts payable	624,393,552.26
Including: the amounts received by suppliers	624,393,552.26
Total	725,098,552.26

8.70 Assets with restricted ownership or right-of-use

Items	Carrying amount at 31 December 2024	Reason
Cash and cash equivalents	2,966,052,396.63	Margin, frozen funds, time deposit certificates and accrued interest, etc.
Notes receivable	175,610,443.60	Pledge, endorsed or discounted without termination
Accounts receivable	124,501,746.76	Accounts receivable factoring
Inventories	5,024,236,577.92	Mortgage loans, pledge loans, after-sale repurchase
Non-current assets maturing within one year	1,007,683,078.28	Pledge
Investment properties	1,465,991,813.79	Mortgage, Property preservation guarantee
Fixed assets	20,885,453,042.41	Mortgage, sale and leaseback financing restricted, property preservation guaranteed
Construction in progress	2,393,643,122.53	Mortgage loans
Intangible assets	206,049,425.64	Mortgage loans
Other current assets	2,777,269,967.00	Pledge
Long-term receivables	363,792,357.93	Pledge loans
Other non-current assets	66,158,896.55	Pledge

Items	Carrying amount at 31 December 2024	Reason
Total	37,456,442,869.04	

Note: Except for the restricted assets above, details of the Company's equity pledge are as follows:

- (i) The subsidiary Hangzhou Lanhui Enterprise Management Consulting Co., Ltd provides a pledge guarantee to Hengfeng Bank Co., Ltd., Shaoxing Branch, with 100% equity of Shaoxing Yunhui Real Estate Co., Ltd.. and Hengfeng Bank Co., Ltd., Shaoxing Branch provides the loans of RMB 1,250,000,000.00 to Shaoxing Yunhui Real Estate Co., Ltd..
- (ii) The subsidiary Xiangyu Real Estate Group Co., Ltd. offers a pledge guarantee with 55% equity of Suzhou Zhizhe Real Estate Development Co., Ltd., and Taicang Zhizhuo Enterprise Management Co., Ltd. provided a pledge guarantee with 45% equity of Suzhou Zhizhe Real Estate Development Co., Ltd. to Hengfeng Bank Co., Ltd., Suzhou Branch. Hengfeng Bank Co., Ltd. Suzhou Taicang Branch provides loans of RMB 78,000,000.00 to Suzhou Zhizhe Real Estate Development Co., Ltd.. The equity pledge guarantee was fully released on 7 January 2025.
- (iii) The subsidiary Shanghai Muya Real Estate Development Co., Ltd. provided a pledge guarantee to China Minsheng Bank Co., Ltd., Shanghai Branch, with all operating accounts receivable from the Yuguo Apartment - Shanghai Songjiang Zuibai Pond project (covering the period from 12 November 2024 to 11 November 2044) to secure a RMB 500,000,000.00 housing loan facility.
- (iv) The subsidiary Xiamen Xiangyu Commercial Development Co., Ltd. provided a pledge guarantee to China Minsheng Bank Co., Ltd., Shanghai Binjiang Branch, with the rental accounts receivable generated from the Free Trade Financial Center located at Yunnan Fourth Road in the Xiamen area of the China (Fujian) Pilot Free Trade Zone (Bonded Zone) and borrowed RMB 300,000,000.00 from the bank.
- (v) The subsidiary Shanghai Xiangyu Investment Management Co., Ltd. pledged the rental receivables generated from leasing the Shanghai Xiangyu Group Building as collateral to secure the Company's financing facility with a principal amount of RMB 715,000,000.00.
- (vi) The subsidiary Xiangdao Logistics Group Co., Ltd. has a pledged loan with 100% equity of Xinjiang Xiangdao Logistics Co., Ltd. as the pledge, and loan amount is RMB 100,000,000.00.
- (vii) The subsidiary Xiamen Xiangsheng Nickel Industry Co., Ltd. pledged 100% equity of Hong Kong Xiangyu Hansheng CO., Limited. The subsidiary Hong Kong Xiangyu Hansheng CO., Limited pledged 100% equity of Xiangyu Hansheng(Singapore) Pte. Ltd and 99% equity of PT Obsidian Stainless Steel., The subsidiary Xiangyu Hansheng(Singapore) Pte. Ltd pledged 1% equity of PT Obsidian Stainless Steel for the syndicated loan of PT Obsidian Stainless Steel. As at 31 December 2024, the outstanding loan amount is RMB 2,364,058,225.69.

(viii) The subsidiary Xiamen International Cruise Home Port Group Co., Ltd. used its legal rights in assets proceeds, ie. the cruise business, passenger rolling business and other income of the corresponding loan project, to provide pledge guarantee for the loan and borrowed RMB 57,495,493.69 from the bank, with XMXYG Corporation as guarantor for the loan.

(ix) Xiamen International Cruise Home Port Group Co., Ltd. pledged its 100% equity interest in Xiamen Xiangyu Development Co. Ltd., Industrial and Commercial Bank of China Limited Xiamen Pilot Free Trade Zone Branch provided a loan of RMB 178,400,000.00, with XMXYG Corporation as guarantor for the loan.

(x) The subsidiary Xiamen Mintai Central Fishing Port Construction Development Co., Ltd. pledged the accounts receivable (rent) from the Fujian-Taiwan Central Fishing Port Cold Storage Project to obtain a loan of RMB 47,550,000.00 from the Agricultural Bank of China Limited, Xiamen Pilot Free Trade Zone, with XMXYG Corporation as guarantor for the loan.

(xi) The subsidiary Senlong Real Estate Co., Ltd. provided a pledge guarantee to Industrial International Trust Co., Ltd. with the rental income from the leasing operations of the Xiangyu Cross-Strait Trade Center property (covering the period from 10 January 2023 to 16 January 2045) to obtain financing of RMB 510,000,000.00.

8.71 Government Grants

(a) Liability items that involve government grants

Items presented in the statement of financial position	Balance as at 31 December 2023	Increase in government grants during the reporting period	Amount recognised in non-operating income during the reporting period	Amount recognised in other income during the reporting period	Other changes during the reporting period	Balance as at 31 December 2024	Related to assets or income
Deferred income	539,017,483.07	38,316,800.00		54,274,620.17	-1,357,800.00	521,701,862.90	Related to assets

(b) Government grants recognised in current profit or loss

Items	2024
Related to assets	54,274,620.17
Related to income	562,123,406.48
Total	616,398,026.65

8.72 Hedges

(a) Risk management of hedging activities

Items	Risk management strategy and objective	Qualitative and quantitative information of hedged items	Economic relationship between the hedged items and the corresponding hedging instruments	Realisation of the expected effective risk management objectives	Impact of corresponding hedging activities on risk exposure
Commodity Derivatives	Starting with risk management,	Hedging against price fluctuations	The primary variable is the commodity price. The	The Company has designed an	By engaging in hedging

Items	Risk management strategy and objective	Qualitative and quantitative information of hedged items	Economic relationship between the hedged items and the corresponding hedging instruments	Realisation of the expected effective risk management objectives	Impact of corresponding hedging activities on risk exposure
Trading	conduct hedging operations for supporting spot goods to mitigate and prevent the risk of market price fluctuations	of spot commodities by adjusting futures contract positions in proportion to the holdings of spot commodities	company engages in buying and selling futures commodities in the futures market that are highly correlated with its spot commodities and are of equivalent quantities. The values of the hedged items and the hedging instruments are expected to move in opposite directions because they are exposed to the same hedging risks, establishing a hedging relationship.	internal control management system for its foreign exchange derivatives business in accordance with relevant laws and regulations. It has established corresponding organizational structures and business processes, and it maintains risk control within defined limits, thus stabilizing production and operational activities.	activities, the Company fully leverages the hedging capabilities of the derivatives market to mitigate the risks associated with fluctuations in commodity and foreign exchange prices, thereby minimizing their impact on the Company's normal operations.
Foreign exchange derivatives trading	In terms of the Company's import and export scale, the principle of exchange rate neutrality is adopted to avoid and prevent the risk of exchange rate fluctuations.	Hedging foreign exchange receipts and payments for commodity purchases and sales, and maintain foreign exchange contracts in line with the planned import payments and export collections to support business development	Engage in forward foreign exchange settlement and sales that are closely aligned with the timing and amount of foreign exchange collections and payments for commodity purchases and sales, effectively hedging against the foreign exchange market risks associated with the business of collecting and paying funds denominated in foreign currencies.		

(b) Details of qualified hedges transaction and the application of hedge accounting

Items	Carrying amount of hedging instruments and hedged items	Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item recognised	Hedge effectiveness and the sources of hedge ineffectiveness	Impact of hedge accounting on the financial statement
Categories of hedging risk				
Commodity Price Risk-Derivative Financial Assets	354,322,043.84	-227,014,934.22	Correlation between hedged items and hedging instruments	-26,281,006.22
Commodity Price Risk-Derivative Financial Liabilities	3,463,990.00			
Commodity Price Risk-Other current Assets	920,673.65			
Commodity price risk-Other current liabilities	225,134,518.68			
Commodity price risk-Inventory	-2,801,089.19			
Commodity Price Risk-Other Comprehensive Income	97,938,693.03	306,588,195.45	Correlation	259,837,881.60
Foreign Exchange Risk-Derivative Financial Assets	44,542,684.01			

Items	Carrying amount of hedging instruments and hedged items	Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item recognised	Hedge effectiveness and the sources of hedge ineffectiveness	Impact of hedge accounting on the financial statement
Foreign Exchange Risk-Derivative Financial Liabilities	396,623,422.66		n between hedged items and hedging instruments	
Foreign Exchange Risk-Other current Assets	343,539,844.57			
Foreign Exchange Risk-Other current liabilities	36,951,649.12			
Categories of hedges				
Fair Value Hedging - Derivative Financial Assets	202,479,058.05			
Fair value hedging-derivative financial liabilities	396,782,235.70			
Fair value hedge - other current assets	344,460,518.22	79,573,261.23	Correlation between hedged items and hedging instruments	39,686,271.94
Fair value hedge - other current liabilities	262,086,167.80			
Fair value hedge - Inventory	-2,801,089.19			
Cash flow hedging-derivative financial assets	196,385,669.80			
Cash flow hedging-derivative financial liabilities	3,305,176.96	N/A	Correlation between hedged items and hedging instruments	193,870,603.44
Cash flow hedging - other comprehensive income	97,938,693.03			

(c) The company carries out hedging business for risk management and expects to achieve risk management objectives but does not apply hedging accounting.

Items	Reasons why hedge accounting is not applied	Impact on financial statements
Commodity price risk, foreign exchange risk	To support the core business of spot operations, the Company utilizes futures instruments and foreign exchange contracts to hedge against the risks of commodity prices and exchange rate fluctuations. However, based on the cost-benefit principle, hedging accounting has not yet been fully implemented.	850,105,013.00

9. SHARE-BASED PAYMENTS

9.1 General Information of Share-based Payment

Category of participant	Granted during the reporting period		Exercised during the reporting period	
	Unit	Amount	Unit	Amount
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares				
2020 Equity Incentive Plan Awarded for the First Grant - share option			8,007,500.00	38,355,925.00
2020 Equity Incentive Plan Awarded Reserve Grant -				

Category of participant	Granted during the reporting period		Exercised during the reporting period	
	Unit	Amount	Unit	Amount
restricted shares				
2020 Equity Incentive Plan Awarded Reserve Grant - share option				
2022 Equity Incentive Plan Awarded for the First Grant				
2022 Equity Incentive Plan Awarded Reserve Grant				
Total			8,007,500.00	38,355,925.00

(Continued)

Category of participant	Unlocked during the reporting period		Cancelled during the reporting period	
	Unit	Amount	Unit	Amount
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares	5,372,124.00	20,038,022.52	7,717,014.00	28,784,462.22
2020 Equity Incentive Plan Awarded for the First Grant - share option			17,122,500.00	82,016,775.00
2020 Equity Incentive Plan Awarded Reserve Grant - restricted shares	415,443.00	1,894,420.08	644,846.00	2,940,497.76
2020 Equity Incentive Plan Awarded Reserve Grant - share option			1,978,480.00	12,207,221.60
2022 Equity Incentive Plan Awarded for the First Grant	27,018,144.00	104,560,217.28	31,079,144.00	120,276,287.28
2022 Equity Incentive Plan Awarded Reserve Grant			1,844,130.00	9,884,536.80
Total	32,805,711.00	126,492,659.88	60,386,114.00	256,109,780.66

Share options or other equity instruments issued and outstanding at the end of the period:

Category of participant	Share options issued and outstanding at the end of the period		Other equity instruments issued and outstanding at the end of the period	
	Range of exercise price	Remaining term of contract	Range of exercise price	Remaining term of contract
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares			2020 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 3.73 per share	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 2 February 2021.
2020 Equity Incentive Plan Awarded for the First Grant - share option	2020 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 4.79 per share	The share option will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 5 February 2021.		
2020 Equity Incentive Plan Awarded Reserve			2020 Equity Incentive Plan Awarded for the First Grant:	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the

Category of participant	Share options issued and outstanding at the end of the period		Other equity instruments issued and outstanding at the end of the period	
	Range of exercise price	Remaining term of contract	Range of exercise price	Remaining term of contract
Grant - restricted shares			The exercise price is RMB 4.56 per share	grant registration date, 31 December 2021.
2020 Equity Incentive Plan Awarded for the First Grant - Reserve Grant - share option	2020 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 6.17 per share	The share option will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 23 December 2021.		
2022 Equity Incentive Plan Awarded for the First Grant			2022 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 3.87 per share.	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 7 July 2022.
2022 Equity Incentive Plan Awarded Reserve Grant			2022 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 5.36 per share.	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 30 May 2023.

9.2 Equity-settled Share-based Payment

	2024
Method of determining fair value of equity instruments at grant date	Restricted shares: closing price on grant date less grant price; Share options: estimate on the adjusted Black-Scholes model
Key parameters for fair value of equity instruments at grant date	Historical volatility, risk-free rate of return, dividend yield
Basis for determining the unit of exercisable equity instruments	On each balance sheet date of the vesting period, the best estimate of the number of equity instruments that eventually vest is made based on the latest changes in the number of employees under the plan and whether the vesting conditions are met. The number of equity instruments that eventually vest is modified accordingly.
Reason for material difference between estimate for the reporting period and estimate for the previous reporting period	N/A
Cumulative amount of equity-settled share-based payment charged to capital reserve	43,319,287.55

9.3 Expenses incurred from share-based payment in the reporting period

Category of participant	Expenses on equity settled share-based payment	Expenses on cash settled share-based payment
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares	-515,964.97	
2020 Equity Incentive Plan Awarded for the First Grant - share option		
2020 Equity Incentive Plan	210,688.88	

Category of participant	Expenses on equity settled share-based payment	Expenses on cash settled share-based payment
Awarded Reserve Grant - restricted shares		
2020 Equity Incentive Plan Awarded Reserve Grant - share option	315,355.41	
2022 Equity Incentive Plan Awarded for the First Grant	25,569,048.49	
Total	25,579,127.81	

9.4 Modifications and Cancellations of Share-based payment

Modifications of share-based payment during the period:

According to the resolution adopted at the 27th meeting of the 9th Board of Directors and the 17th meeting of the 9th Board of Supervisors of the subsidiary Xiamen Xiangyu Co., Ltd. held on 25 December 2024 regarding the Proposal on Adjusting the Exercise Price of Reserved Share Options under the 2020 Equity Incentive Plan, the exercise price of the reserved share options has been adjusted to RMB 6.17 per share.

10. CONTINGENCIES

10.1 Contingencies

(a) Contingent liabilities arising from outstanding litigations and the corresponding financial effects

(i) The Company and its subsidiaries as plaintiffs

The subsidiary Xiamen Xiangyu Co., Ltd. and its subsidiaries filed lawsuits as plaintiffs, the lawsuit of which were mainly related to sales contract disputes, import and export agency contract disputes, etc. The Company requested the other party to provide corresponding compensation according to the loss situation. As of 31 December 2024, the estimated possible maximum loss involved in the pending litigation is RMB 760 million, with historical litigation cases mainly. The estimated financial impact is limited.

The subsidiary Xiamen XMXYG Jinxiang Holdings Group Co., Ltd. and its subsidiaries filed lawsuits as plaintiffs, the lawsuit of which were mainly related to overdue payment. As of 31 December 2024, the estimated possible maximum loss involved in this type of pending litigation is RMB 419 million. The Company has provided sufficient amount of impairment provision based on the estimated recoverable amount. The estimated financial impact is limited.

(ii) The Company and its subsidiaries as defendants

The main cases are as follows:

Case 1:

In April and May 2022, Xiamen Longjin Import and Export Trading Co., Ltd. (hereinafter referred to as "Xiamen Longjin") and Fujian Longyan International Trade Co., Ltd. (hereinafter referred to as "Longyan Guomao") and the subsidiary Xiamen Xiangyu Aluwin Co., Ltd. (hereinafter referred to as "Xiangyu Aluwin") signed the "Aluminum Ingot Purchase

and Sales Contract" to purchase aluminum ingots from Xiangyu Aluwin. After Xiangyu Aluwin transferred the rights on the aluminum ingots to Xiamen Longjin and Longyan Guomao, both parties issued certain receipts to Xiangyu Aluwin. In September and November 2022, Xiamen Longjin and Longyan Guomao, respectively filed two lawsuits against Xiangyu Aluwin in the Huli People's Court of Xiamen City, and requested for rescission of the original "Aluminum Ingot Purchase and Sale Contract", return of the original purchase payment and revocation of the receipt issued to Xiangyu Aluwin. The total amounts are RMB 193.0103 million (for two cases) and RMB 176.1463 million (for two cases), respectively. Xiangyu Aluwin believes that the Company has not engaged in any breach of contract, and Xiamen Longjin and Longyan Guomao should assert their rights against other responsible parties.

Progress: According to the first-instance judgment, the court dismissed all claims made by the plaintiff. As of the date of this report, the lawsuit is in the second-instance stage.

(b) Contingent liabilities resulting from debt guarantees to other entities and the corresponding financial impact

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Commercial Development Co., Ltd.	CNY	30,000.00	2024-12-10	2034-12-10	No
the Company	Xiangyu Real Estate Group Co., Ltd.	CNY	134,000.00	2023-7-5	2026-7-4	No
the Company	Xiamen Xiangyu Logistics Group Corporation	CNY	56,105.68	2024-7-25	3 years from the expiration of the debt performance period	No
the Company	Xiamen Xiangyu Agricultural Products Co., Ltd.	CNY	18,777.51	2024-7-29	3 years from the expiration of the debt performance period	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	10,000.00	2024-6-12	2025-8-21	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,950.00	2024-8-6	2025-8-21	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	7,050.00	2024-8-21	2025-8-21	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	38,000.00	2024-9-18	2025-9-18	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,200.00	2024-6-27	2025-6-26	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,983.00	2024-8-27	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,500.00	2024-8-28	2025-7-22	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	10,000.00	2024-9-19	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	3,000.00	2024-11-26	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,000.00	2024-11-26	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	4,880.00	2024-12-4	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,100.00	2024-12-5	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,000.00	2024-12-6	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,170.00	2024-12-6	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	3,700.00	2024-12-12	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,000.00	2024-12-19	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,000.00	2024-12-19	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,920.00	2024-12-20	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,800.00	2024-12-23	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,000.00	2024-12-27	2025-7-22	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	10,000.00	2024-1-29	2025-1-28	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	15,000.00	2024-7-30	2025-7-24	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,000.00	2024-9-26	2025-7-24	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	3,000.00	2024-9-29	2025-7-24	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	15,000.00	2024-12-9	2025-7-24	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,500.00	2024-2-23	2027-7-31	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	497	2024-7-31	2027-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	497	2024-7-31	2027-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	497	2024-7-31	2027-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	497	2024-7-31	2027-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,491.00	2024-7-31	2027-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,491.00	2024-7-31	2027-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	10,650.00	2024-12-17	2027-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	8,000.00	2024-7-31	2025-7-31	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,000.00	2024-9-3	2025-9-3	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,000.00	2024-3-13	2025-3-12	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	11,800.00	2024-8-30	2025-2-28	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	3,770.00	2024-9-13	2025-3-13	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	6,000.00	2024-9-18	2025-3-18	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,700.00	2024-9-25	2025-3-25	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,000.00	2024-9-26	2025-3-26	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,785.00	2024-9-26	2025-3-26	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,300.00	2024-9-27	2025-3-27	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	1,465.00	2024-9-27	2025-3-27	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	14,000.00	2024-5-31	2025-12-20	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	3,570.00	2024-9-25	2025-12-20	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	14,000.00	2024-12-20	2025-12-20	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	285	2024-3-20	2025-3-20	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	285	2024-3-20	2025-9-20	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	8,645.00	2024-3-20	2026-3-19	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	195	2024-3-21	2025-3-21	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	195	2024-3-21	2025-9-21	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	5,915.00	2024-3-21	2026-3-20	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	150	2024-5-27	2025-5-27	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	150	2024-5-27	2025-11-27	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	4,550.00	2024-5-27	2026-5-26	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	270	2024-5-29	2025-5-29	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	270	2024-5-29	2025-11-29	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	8,190.00	2024-5-29	2026-5-28	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	390	2024-9-27	2025-3-27	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	390	2024-9-27	2025-9-27	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	390	2024-9-27	2026-3-27	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	11,830.00	2024-9-27	2026-9-26	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	210	2024-9-29	2025-3-29	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	210	2024-9-29	2025-9-29	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	210	2024-9-29	2026-3-29	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	6,370.00	2024-9-29	2026-9-28	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,100.00	2024-9-5	2025-6-7	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,400.00	2024-9-10	2025-6-7	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,500.00	2024-9-10	2025-6-7	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	3,000.00	2024-9-10	2025-6-7	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	10,000.00	2024-9-4	2025-9-4	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50	2024-1-30	2027-1-29	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50	2024-1-30	2027-1-29	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	2,400.00	2024-1-30	2027-1-29	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	10,000.00	2024-6-12	2027-4-1	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	60,000.00	2024-6-17	2027-4-1	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	20,000.00	2024-8-20	2026-7-25	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	3,000.00	2024-9-14	2026-7-25	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	7,000.00	2024-10-30	2026-7-25	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	17,000.00	2023-6-29	2025-6-28	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	12,750.00	2023-6-29	2025-6-28	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	38,250.00	2023-6-29	2025-6-27	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50,000.00	2024-8-26	2025-8-26	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	30,000.00	2022-3-1	2025-3-1	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50,000.00	2023-3-13	2025-3-13	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50,000.00	2023-4-13	2025-4-13	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	100,000.00	2023-7-25	2026-7-25	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50,000.00	2024-1-18	2027-1-18	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50,000.00	2024-6-20	2029-6-20	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50,000.00	2022-7-1	2025-7-1	No
the Company	Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	CNY	50,000.00	2023-2-10	2026-2-10	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	694.44	2024-1-23	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	694.44	2024-1-24	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	694.44	2024-1-25	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	722.22	2024-2-27	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	722.22	2024-2-29	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	750	2024-3-6	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	750	2024-3-8	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	750	2024-3-18	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	750	2024-3-20	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	750	2024-3-27	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	805.56	2024-5-15	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	805.56	2024-5-16	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	805.56	2024-5-17	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	805.56	2024-5-22	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	797.5	2024-5-24	2027-12-5	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
Company	Financial Leasing Co., Ltd.					
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	797.5	2024-5-27	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	797.5	2024-5-28	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	797.5	2024-5-29	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	825	2024-6-4	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	825	2024-6-6	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	825	2024-6-7	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	825	2024-6-11	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	825	2024-6-12	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	825	2024-6-13	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	880	2024-8-27	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	880	2024-8-28	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	880	2024-8-29	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	907.5	2024-9-3	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	907.5	2024-9-5	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	907.5	2024-9-19	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	907.5	2024-9-20	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	907.5	2024-9-23	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	891	2024-9-24	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	907.5	2024-9-25	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	891	2024-9-26	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	907.5	2024-9-27	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	935	2024-10-22	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	916.11	2024-10-23	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	935	2024-10-24	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	901	2024-10-25	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	918	2024-10-28	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	935	2024-10-29	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	901	2024-10-30	2027-12-5	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
Company	Financial Leasing Co., Ltd.					
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	935	2024-10-31	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	945	2024-11-4	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	927.5	2024-11-5	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	962.5	2024-11-6	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	945	2024-11-7	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	945	2024-11-26	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	962.5	2024-11-27	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	927.5	2024-11-28	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	910	2024-11-29	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	918	2024-12-2	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	936	2024-12-3	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	954	2024-12-4	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	990	2024-12-5	2027-12-5	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2022-11-8	2025-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	1,237.50	2022-11-8	2025-9-12	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	600	2022-11-23	2025-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	2,200.00	2022-11-23	2025-9-12	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	225	2023-3-13	2025-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	825	2023-3-13	2025-9-12	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	750	2023-7-12	2025-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	2,750.00	2023-7-12	2025-9-12	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2023-9-14	2025-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2023-9-14	2025-9-12	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2023-9-14	2026-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	562.5	2023-9-14	2026-7-10	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-8-28	2025-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-8-28	2025-9-12	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-8-28	2026-3-13	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
Company	Financial Leasing Co., Ltd.					
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-8-28	2026-9-11	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-8-28	2027-3-11	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	562.5	2024-8-28	2027-8-27	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-9-19	2025-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-9-19	2025-9-12	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-9-19	2026-3-13	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-9-19	2026-9-11	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	337.5	2024-9-19	2027-3-11	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	562.5	2024-9-19	2027-8-27	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	555	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	555	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	248	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	248	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	248	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	248	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	156	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	156	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	156	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	150	2024-8-22	2027-6-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
Company	Financial Leasing Co., Ltd.					
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	615	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	575	2024-12-9	2027-9-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	8,000.00	2024-6-28	2027-6-27	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	2,100.00	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	600	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	2,200.00	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	600	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	4,500.00	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	600	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	4,600.00	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	500	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	7,100.00	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	450	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	8,500.00	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	250	2024-12-6	2027-10-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	10,000.00	2024-7-31	2027-7-29	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	10,000.00	2024-8-20	2027-7-29	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	200	2024-12-4	2027-7-29	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	1,000.00	2024-12-5	2027-7-29	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	500	2023-11-30	2025-11-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	8,500.00	2023-11-30	2025-11-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	250	2023-11-30	2025-5-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	4,250.00	2023-11-30	2025-11-30	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	20,665.92	2024-4-18	2025-3-21	No
the Company	Xiamen Xiangyu Jinxiang Financial Leasing Co., Ltd.	CNY	2,800.00	2024-4-18	2025-3-21	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	5,000.00	2024-8-14	2025-8-12	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	1,500.00	2024-3-22	2025-3-20	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
	Ltd.					
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	4,060.00	2024-3-25	2025-3-20	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	1,190.00	2024-3-26	2025-3-24	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	250	2024-3-28	2025-3-24	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	3,600.00	2024-7-3	2025-6-30	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,000.00	2024-7-30	2025-1-22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	1,800.00	2024-7-31	2025-1-22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,000.00	2024-8-2	2025-1-22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	3,000.00	2024-8-5	2025-1-22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,090.00	2024-8-12	2025-1-4	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,000.00	2024-9-19	2025-3-14	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	4,000.00	2024-9-24	2025-3-14	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	1,910.00	2024-9-29	2025-3-21	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	5,000.00	2024-10-31	2025-4-28	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	5,000.00	2024-11-11	2025-5-11	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	15,000.00	2024-11-29	2025-11-29	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	200	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	200	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	600	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	600	2022-10-17	2029-10-16	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
	Co., Ltd.					
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	600	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	600	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	600	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	600	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	2,300.00	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	2,300.00	2022-10-17	2029-10-16	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	25	2023-11-23	2025-5-21	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	25	2023-11-23	2025-11-21	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	25	2023-11-23	2026-5-21	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	9,275.00	2023-11-23	2026-11-23	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	25	2023-12-22	2025-6-22	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	25	2023-12-22	2025-12-22	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	25	2023-12-22	2026-6-22	No
the Company	Xiamen Xiangyu Asset Management and Operation Co., Ltd.	CNY	14,770.00	2023-12-22	2026-12-22	No
the Company	Xiamen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,000.00	2024-8-2	2025-2-15	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	1,610.71	2024-3-21	2025-3-13	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	980.45	2024-5-29	2025-3-25	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	951.6	2024-7-29	2025-3-25	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	236.62	2024-9-9	2025-3-25	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	969.7	2024-9-20	2025-3-25	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	39,273.00	2024-3-29	2025-3-29	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	2,500.00	2024-3-29	2025-3-29	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	27,000.00	2024-10-18	2025-10-17	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	10,000.00	2022-10-24	2025-10-24	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	9,600.00	2023-11-2	2025-1-29	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	8,400.00	2023-11-2	2025-1-29	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	3,600.00	2024-8-22	2025-2-22	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	4,800.00	2024-8-22	2025-2-22	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	10,000.00	2023-12-4	2025-2-26	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	10,000.00	2024-1-1	2025-1-1	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	15,000.00	2024-11-14	2025-11-13	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	1,599.60	2024-11-20	2025-5-20	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	10,000.00	2023-10-25	2025-4-25	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	10,000.00	2024-10-8	2025-7-8	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	5,000.00	2022-12-2	2025-11-30	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	16,000.00	2023-3-1	2025-3-1	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	10,000.00	2024-12-26	2025-12-30	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	4,311.34	2023-2-14	2026-2-14	No
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	466.36	2022-11-22	2025-11-21	No
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	410.33	2024-6-19	2025-6-19	No
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	19,000.00	2023-3-1	2025-3-1	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	10,000.00	2024-11-18	2025-11-18	No
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	26,000.00	2024-6-19	2025-6-19	No
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	2,000.00	2024-9-20	2027-9-20	No
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	3,459.63	2022-12-28	2025-12-28	No
the Company	Bei'an Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	2,155.35	2023-3-15	2026-3-15	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	31,275.00	2019-2-27	2031-2-26	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	71,926.00	2019-2-27	2031-2-26	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	10,195.00	2019-2-27	2031-2-26	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	1,000.00	2024-1-17	2025-1-16	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	9,000.00	2024-1-17	2025-1-16	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	24,000.00	2024-9-10	2025-10-31	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	35,000.00	2024-9-4	2025-9-3	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	20,000.00	2024-8-30	2025-5-30	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	11,000.00	2024-12-23	2025-6-22	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	3,460.07	2022-12-27	2025-12-27	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd.	CNY	17,465.71	2023-6-30	2026-6-30	No
the Company	HONGKONG XIANGYU INVESTMENT CO.,LIMITED	USD	352,231.60	2022-9-23	2025-9-23	No
the Company	HONGKONG XIANGYU INVESTMENT CO.,LIMITED	CNY	115,174.32	2022-12-19	2030-12-31	No
the Company	HONGKONG XIANGYU INVESTMENT CO.,LIMITED	USD	165,583.81	2022-12-19	2030-12-31	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	PT Obsidian Stainless Steel	CNY	30,063.39	2020-12-15	2027-9-14	No
the Company	PT Obsidian Stainless Steel	CNY	145,594.26	2020-12-15	2027-9-14	No
the Company	PT Obsidian Stainless Steel	USD	63,416.98	2020-12-15	2027-9-14	No
the Company	PT Obsidian Stainless Steel	USD	159,212.02	2023-9-26	2025-1-25	No
the Company	PT Obsidian Stainless Steel	CNY	60,000.00	2024-10-29	2025-10-29	No
the Company	PT Obsidian Stainless Steel	CNY	40,000.00	2024-9-26	2025-9-26	No
the Company	PT Obsidian Stainless Steel	CNY	3,231.85	2024-1-29	2025-1-29	No
the Company	PT Obsidian Stainless Steel	CNY	12,000.00	2024-2-7	2025-2-7	No
the Company	PT Obsidian Stainless Steel	CNY	24,000.00	2024-2-23	2025-2-23	No
the Company	PT Obsidian Stainless Steel	CNY	45,022.56	2024-12-29	2025-6-25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10	2023-6-19	2025-6-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10	2023-6-19	2025-12-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	79,950.00	2023-6-19	2026-6-19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5	2023-12-12	2025-3-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5	2023-12-12	2025-9-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5	2023-12-12	2026-3-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5	2023-12-12	2026-9-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	29,970.00	2023-12-12	2026-12-12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	40,000.00	2024-2-19	2025-2-19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	30,000.00	2024-2-21	2025-2-21	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	CNY	57,500.00	2024-4-17	2025-4-16	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2023-8-24	2026-8-24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	93.45	2024-7-18	2025-1-14	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	173.2	2024-7-18	2025-1-14	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	479.86	2024-7-19	2025-1-15	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,134.88	2024-7-19	2025-1-15	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	102.15	2024-7-22	2025-1-17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	317.19	2024-7-22	2025-1-17	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Hong Kong Xiangzheng Trading Co., Limited	USD	334.34	2024-8-1	2025-1-27	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	USD	268.14	2024-8-1	2025-1-27	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	USD	343.72	2024-8-1	2025-1-27	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	USD	593.46	2024-8-1	2025-1-27	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	550.64	2024-8-12	2025-1-27	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	12,000.00	2024-8-15	2025-2-11	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	820.27	2024-8-26	2025-2-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,415.00	2024-8-26	2025-2-21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	19,948.88	2024-8-27	2025-2-23	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,000.00	2024-8-29	2025-2-25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	708.18	2024-9-9	2025-3-7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	295.17	2024-9-9	2025-3-7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	86.52	2024-9-9	2025-3-7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	558.83	2024-9-13	2025-3-12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	238.98	2024-9-13	2025-3-12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	216.84	2024-9-13	2025-3-12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	30,000.00	2024-9-13	2025-3-12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5,000.00	2024-9-26	2025-3-25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	50,000.00	2024-9-26	2027-2-27	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	280.82	2024-9-30	2025-3-28	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,000.00	2024-10-10	2025-2-7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	90.32	2024-10-10	2025-4-8	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	USD	166.76	2024-10-10	2025-4-8	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,000.00	2024-10-22	2025-1-20	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,177.67	2024-10-28	2025-4-25	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	CNY	15,000.00	2024-10-28	2025-4-25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	692.11	2024-10-29	2025-4-25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,000.00	2024-10-29	2025-4-25	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Hong Kong Xiangzheng Trading Co., Limited	USD	206.86	2024-10-29	2025-4-25	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	USD	235.18	2024-10-29	2025-4-25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	384.01	2024-11-1	2025-4-28	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	860.68	2024-11-1	2025-4-28	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,787.70	2024-11-1	2025-4-28	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,095.43	2024-11-1	2025-4-28	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,000.00	2024-11-4	2025-4-28	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,291.30	2024-11-8	2025-5-7	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	CNY	569.55	2024-11-11	2025-5-9	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	45,000.00	2024-11-13	2025-5-12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	14,467.00	2024-4-3	2025-4-3	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	CNY	15,000.00	2024-11-14	2025-5-14	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2024-11-25	2025-6-20	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	34,134.00	2024-4-3	2025-4-3	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	CNY	25,000.00	2024-11-25	2025-6-6	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2024-11-27	2025-5-27	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,399.00	2024-4-3	2025-4-3	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,000.00	2024-12-1	2025-11-30	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	CNY	30,000.00	2024-12-3	2025-6-6	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2024-11-20	2027-11-20	No
the Company	Hong Kong Xiangzheng Trading Co., Limited	CNY	7,000.00	2024-12-9	2025-6-6	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	30,426.00	2024-12-12	2025-6-10	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2024-12-13	2025-6-11	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	30,030.00	2024-12-16	2025-6-13	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,020.00	2024-12-16	2025-6-13	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,170.03	2024-12-18	2025-6-16	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	30,000.00	2024-12-24	2025-6-20	No
the Company	Xiamen Xiangyu Wisdom Supply Chain Co., Ltd.	CNY	49,340.00	2021-12-24	2036-12-23	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Wisdom Supply Chain Co., Ltd.	CNY	18,638.47	2022-5-19	2037-5-5	No
the Company	Xiamen Xiangyu Wisdom Supply Chain Co., Ltd.	CNY	18,694.94	2022-5-19	2036-9-26	No
the Company	Xiamen Railway Logistics Investment Co., Ltd.	CNY	16,000.00	2015-9-1	2028-9-1	No
the Company	Xiamen Mintai Central Fishing Port Construction Development Co., Ltd.	CNY	4,755.00	2023-4-7	2036-12-20	No
the Company	Xiamen Xiangyu Medical Equipment Co., Ltd.	CNY	117.42	2024-7-12	2027-7-10	No
the Company	XIANGYU Mechanical and Electrical Co., Ltd.	CNY	650.27	2024-8-2	2025-2-23	No
the Company	Shanghai Xiangyu Machinery & Electronic Co., Ltd.	CNY	704.05	2024-8-1	2028-1-22	No
the Company	Xiamen International Cruise Home Port Group Co., Ltd.	CNY	5,386.93	2023-2-10	2031-1-29	No
the Company	Xiamen International Cruise Home Port Group Co., Ltd.	CNY	17,840.00	2023-11-30	2028-11-20	No
the Company	Xiamen Xiangyu Development Co., Ltd.	CNY	128	2024-9-5	2025-8-21	No
the Company	Xiamen Xiangyu Wine Co., Ltd.	CNY	950	2024-10-25	2025-10-23	No
the Company	Xiamen Xiangyu Wine Co., Ltd.	CNY	1,000.00	2024-6-21	2025-9-30	No
the Company	Xiamen Xiangyu Wine Co., Ltd.	CNY	980	2024-7-19	2025-7-19	No
the Company	Xiamen Xiangyu Commercial Real Estate Development Co., Ltd.	CNY	30,500.00	2023-6-5	2030-6-1	No
the Company	Xiamen Ferry Co., Ltd.	CNY	11,000.00	2024-10-31	2027-10-31	No
the Company	Xiamen Bay Marine Tourism Passenger Transport Co., Ltd.	CNY	4,800.00	2023-10-23	2030-10-23	No
the Company	Xiamen Bay Marine Tourism Passenger Transport Co., Ltd.	CNY	2,472.75	2024-7-10	2033-6-15	No
the Company	Hong Kong Xiangyu Caiyi CO., Limited	JPY	754.37	2024-11-13	2025-2-11	No
the Company	Hong Kong Xiangyu Caiyi CO., Limited	CNY	153.97	2024-11-14	2025-2-12	No
the Company	Xiamen Yujian Time Culture and Tourism Development Co., Ltd.	CNY	4,422.93	2024-12-31	2044-12-21	No
the Company	Xiamen Yujian Time Culture and Tourism Development Co., Ltd.	CNY	2,948.62	2024-12-31	2044-12-21	No
the Company	Yulin Xiangdao Logistics Co., Ltd.	CNY	80,000.00	2022-8-29	2025-8-28	No
the Company	Yulin Xiangdao Logistics Co., Ltd.	CNY	5,000.00	2024-10-23	2027-10-15	No
the Company	Yulin Xiangdao Logistics Co., Ltd.	CNY	35,000.00	2024-10-23	2025-10-22	No
the Company	Yulin Xiangdao Logistics Co., Ltd.	CNY	4,980.00	2023-12-6	2026-12-5	No
the Company	Yulin Xiangdao Logistics Co., Ltd.	CNY	18,950.00	2023-12-6	2026-12-5	No

(i) As at 31 December 2024, debt guarantee that the Company offers to companies outside the scope of consolidation:

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	CNY	32,071.92	2022-12-29	2030-12-28	No
the Company	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	CNY	6,714.50	2023-3-14	2028-5-24	No
the Company	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	CNY	9,938.24	2023-2-28	2029-2-27	No
the Company	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	CNY	56,288.16	2022-12-29	2030-6-28	No
Xiangyu Real Estate Group Co., Ltd.	Tianjin Tian An Science Parks Development Limited	CNY	1,134.42	2023-10-30	2028-10-30	No
the Company	Xiamen Tianma Display Technology Co., Ltd.	CNY	69,620.00	2022-11-9	2032-11-8	No
the Company	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	CNY	248.28	2023-1-18	2032-12-19	No
Xiangyu Real Estate Group Co., Ltd. and its subsidiaries	Mortgage guarantee	CNY	962,588.76	/	/	No

Details of related guarantees:

Besides the above-mentioned, there are:

i) The Company's subsidiaries, Xiamen Xiangyu Logistics Group Co., Ltd., Xiamen Xiangyu Commodities Co., Ltd. and Liaoning Zhenfeng Xinda New Material Co., Ltd., are provided with tariff guarantees by Asia-Pacific Property & Casualty Insurance Co., Ltd., Xiamen Branch. Xiamen Xiangyu Co., Ltd. offers counter-guarantees for their tariff guarantee insurance. As at 31 December 2024, the total amount of the guarantee utilized is RMB 273,100,000.00.

ii) The Company's subsidiaries, Hubei Chuxiang Supply Chain Group Co., Ltd., Xiamen Heyu Trading Co., Ltd., Xiamen Zhenfeng ENERGY Co., Ltd., Xiamen Xiangyu Aluwin Co., Ltd., Xiamen Xiangyu Superchain Supply Chain Development Co., Ltd., Xiamen Xiangyu Logistics Group Corporation and Xiamen Xiangyu New ENERGY Co., Ltd. are provided with tariff guarantees by Sunshine Property and Casualty Insurance Co., Ltd., Xiamen Branch. Xiamen Xiangyu Co., Ltd. offers counter-guarantee for their tariff guarantee insurance. As at 31 December 2024, the total amount of the guarantee utilized is RMB 382,450,000.00.

iii) The Company's subsidiaries, Fujian Xingda Import & Export Trading Co., Ltd. ("Fujian Xingda"), Xiamen Lingxiang Metal Co., Ltd., Xiamen Xiangyu Chemical Co., Ltd., Xiamen Xiangyu MINING Co., Ltd., Xiamen Xiangyu Agricultural Products Co., Ltd., Xiamen Xiangyu Logistics Group Corporation, Xiamen Xiangyu Xingbaofa Trade Co., Ltd., and Xiamen Xiangyu Commodities Co., Ltd. are provided with tariff guarantees by Bank of China Insurance Co., Ltd. Xiamen Branch. Xiamen Xiangyu Co., Ltd. offers counter-guarantee for

their tariff guarantee insurance. As at 31 December 2024, the total amount of the guarantee utilized is RMB 508,195,261.00.

(c) Others

As of 31 December 2024, the subsidiary Xiamen Xiangyu Co., Ltd. had potential sales return exposures totaling RMB 174,209,254.30. As of the date of board approval for this report, RMB 52,704,519.30 of these transactions remained outstanding, with no sales returns having occurred for the matured portion.

Except for the above-mentioned contingencies, as at 31 December 2024, the Company has no other significant contingencies need to be disclosed.

11. EVENTS AFTER THE REPORTING PERIOD

11.1 Restricted shares of the subsidiaries Xiamen Xiangyu Co., Ltd.

On 25 December 2024, the subsidiary Xiamen Xiangyu Co., Ltd. held the 27th meeting of the 9th session board of directors and the 17th meeting of the 9th session board of supervisors. The meeting reviewed and approved "Proposal on the Achievement of the Second Release Restriction Period for the Release of Restricted Shares in the Company's 2020 Equity Incentive Plan". 23 incentive recipients met the conditions to unlock the sales restrictions. The number of restricted shares to unlock from sales restrictions is 400,221 shares, accounting for 0.02% of the Company's total share capital. The listed and circulated date of the restricted shares released this time is 7 January 2025.

On 12 March 2025, The subsidiary, Xiamen Xiangyu Co., Ltd. held the 29th meeting of the 9th session board of directors and the 18th meeting of the 9th session board of supervisors. The meeting reviewed and approved the "Proposal on Repurchase and Cancellation of Some Restricted Stocks". It was agreed that the company would repurchase and cancel a total of 625,622 restricted shares that have been granted but have not been released from sale restrictions in the 2020 Equity Incentive Plan and the 2022 Restricted Stock Incentive Plan.

11.2 Private Share Placement of Subsidiary Xiamen Xiangyu Co., Ltd.

On 29 November 2024, the Shanghai Stock Exchange issued the 'Review Opinion on the Private Share Placement Application of Xiamen Xiangyu Co., Ltd.,' confirming that the proposed private placement application by the subsidiary Xiamen Xiangyu Co., Ltd. satisfied all issuance requirements, listing criteria, and information disclosure obligations.

On 2 January 2025, the China Securities Regulatory Commission granted its formal approval through the 'Notice of Registration Approval for Xiamen Xiangyu Co., Ltd.'s Private Share Placement' (Zheng Jian Xu Ke [2025] No. 1), officially approving the subsidiary's private share placement registration.

In February 2025, the subsidiary Xiamen Xiangyu Co., Ltd. completed the private share placement to China Merchants Group Limited ("China Merchants Group"), Shandong Port

Group Co., Ltd. ("Shandong Port Group"), and XMXYG Corporation, with a total issuance of 573,932,226 shares, which did not exceed 30% of the Company's total share capital prior to this issuance. The subscription amounts for A-shares in this issuance by China Merchants, Shandong Port, and Xiangyu Group were 178,253,119 shares, 178,253,119 shares, and 217,425,988 shares, respectively. The total amount of funds raised was RMB 3,219,759,787.86. After deducting relevant issuance expenses, the net amount raised was RMB 3,179,227,996.12, which did not exceed the fundraising scale outlined in the issuance plan.

The 573,932,226 newly issued shares were registered with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 27 February 2025. After the issuance, the share capital of the subsidiary Xiamen Xiangyu Co., Ltd. is 2,806,995,283 shares.

11.3 Others

Except for the information mentioned above, as at 27 April 2025, the Company has no other significant events after the reporting period need to be disclosed.

12. OTHER SIGNIFICANT MATTERS

12.1 Progress on the Company's Acquisition of Bankrupt Reorganization Assets

On 8 November 2024, the Company received approval from the State-owned Assets Supervision and Administration Commission of Xiamen Government to participate in the bankruptcy reorganization project of Zhongwang Group. On 24 December 2024, the Company obtained unconditional approval from the State Administration for Market Regulation for the acquisition of certain businesses of Liaoning Zhongwang Superior Fabrication Investment Limited (the "New Zhongwang Group"). On 30 December 2024, the Company completed the transfer of operational rights for the New Zhongwang Group. As of the financial report day, the Company has not yet completed the equity transfer of the New Zhongwang Group, which has not been included in the consolidated financial statements.

12.2 Progress on the Bankruptcy Reorganization of Major Debtors Owing Receivables from the Company's Bankruptcy Reorganization Claims

On 1 August 2024, the People's Court of Xiangshui County, Jiangsu Province (hereinafter referred to as the Xiangshui Court) ruled to accept the bankruptcy reorganization cases of Jiangsu Delong Nickel Industry Co., Ltd., Xiangshui Juhe Metal Products Co., Ltd., Xiangshui Defeng Metal Materials Co., Ltd., and Xiangshui Heng Sheng Stainless Steel Casting Co., Ltd. (collectively referred to as 'Jiangsu Delong') and appointed King & Wood Mallesons Beijing Office as the administrator for Jiangsu Delong (hereinafter referred to as the 'Administrator'). To facilitate the successful reorganization of Jiangsu Delong, optimize the integration of the debtor's assets and industrial value, and safeguard creditors' lawful rights and interest, the Administrator initiated a public solicitation of reorganization investors on 8 April 2025, in compliance with the Enterprise Bankruptcy Law of the People's Republic of China and other relevant laws, regulations, and judicial interpretations. As of the date of this financial report, the investor selection process of the reorganization for Jiangsu Delong remains ongoing.

13. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Recognition of related parties: The Company has control or joint control of, or exercise significant influence over another party; or the Company and another party are controlled or jointly controlled by the same third party.

13.1 General Information of the Parent Company

Ultimate controlling party of the Company is State-owned Assets Supervision and Administration Commission of Xiamen Government.

13.2 General Information of Subsidiaries

Details of the subsidiaries please refer to Notes 7.1.

13.3 Joint Ventures and Associates of the Company

Details of significant joint ventures and associates please refer to Notes 8.15.

13.4 Details of other related parties trading with or with outstanding to the Company during the reporting period

Name	Relationship with the Company
Xiamen Xiangyu Ciai Elderly Nursing Center	Related Party of Directors, Supervisors, and Senior Management
Xiangyu Baoyuan (Xuzhou) Intelligent Manufacturing Co., Ltd.	Related Party of Directors, Supervisors, and Senior Management
Tianjin Tian An Science Parks Development Limited	Related Party of Directors, Supervisors, and Senior Management, Joint Ventures, and Associated Enterprises
Gao'an Chenghui Supply Chain Co., Ltd.	Associates, joint ventures
Xiamen Hongyu Supply Chain Co., Ltd.	Associates, joint ventures
Hubei Guomao Ludao Supply Chain Co., Ltd.	Associates, joint ventures
Port of Jinzhou Xiangyu Grain Co., Ltd.	Associates, joint ventures
Port of Dalian Xiangyu Grain Logistics Co., Ltd.	Associates, joint ventures
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Associates, joint ventures
Xiamen International Logistics Port Co. Ltd.	Associates, joint ventures
Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	Associates, joint ventures
Xiamen Internet of Thing Industry Research Institute Co., Ltd.	Associates, joint ventures
Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	Associates, joint ventures
Xiamen Modern Terminal Co., Ltd.	Associates, joint ventures
Nanping Ruifeng Real Estate Co., Ltd.	Associates, joint ventures
Shanghai Zhaoyu Real Estate Co., Ltd.	Associates, joint ventures
Nanjing Xujiang Real Estate Development Co., Ltd.	Associates, joint ventures

Name	Relationship with the Company
Xiamen Xihaiwan Cruise City Investment Co., Ltd.	Associates, joint ventures
Xiamen Mintai Ferry Co., Ltd.	Associates, joint ventures
Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	Associates, joint ventures
Xiamen Xiangyu Junxin Venture Capital Partnership (limited Partnership)	Associates, joint ventures
Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	Associates, joint ventures
Ruiyu Xingxi Xianning Equity Investment Partnership LLP	Associates, joint ventures
Fujian Youhao Supply Chain Management Co., Ltd.	Associates, joint ventures
Xiamen Zhaogang Lube Property Management Co., Ltd.	Associates, joint ventures
Fujian Xiangyu Real Estate Development Co., Ltd.	Associates, joint ventures
Fujian Dengyun Real Estate Development Co., Ltd.	Associates, joint ventures
Shanghai Pancheng Real Estate Development Co., Ltd.	Associates, joint ventures
Xiamen Rural Commercial Bank Co., Ltd.	Associates, joint ventures
Xiamen Financial Leasing Co., Ltd.	Associates, joint ventures
Harbin Chengyu Commercial Operation Co., Ltd.	Associates, joint ventures
Suzhou Hengqing Real Estate Development Co., Ltd.	Associates, joint ventures
Shanghai Xiangyu Logistics Development Co., Ltd.	Associates, joint ventures
Suzhou Yutai Real Estate Development Co., Ltd.	Associates, joint ventures
Fuzhou Fengshunxiang Investment Co., Ltd.	Associates, joint ventures
Xiamen Xiangyang Investment Co., Ltd.	Associates, joint ventures
Suzhou Xiangyu Real Estate Co., Ltd.	Associates, joint ventures
Crystal Idea Management Limited	Joint Ventures and Associated before September 2024
Suzhou Ruitai Real Estate Development Co., Ltd	Joint Ventures and Associated before May 2024
Xiamen Xiangsheng Investment Partnership LLP	Joint Ventures and Associated before August 2024
Xiamen Xiangyuan Investment Partnership (Limited Partnership)	Associates, joint ventures
Kunshan Xierui Real Estate Development Co., Ltd.	Associates, joint ventures
Hebei Xiangyu Zhengfeng Real Estate Co. Ltd.	Associates, joint ventures
Xiamen Xiangyu Chuangfu Investment Partnership LLP	Associates, joint ventures
Fuzhou Xiangyu Ruoke Equity Investment Partnership LLP	Associates, joint ventures
Kunshan Jincui Real Estate Co., Ltd.	Associates, joint ventures
Xiamen Chenhuan Investment Partnership (Limited Partnership)	Associates, joint ventures
Xiamen Xiangyu Chuangying Investment Partnership LLP	Associates, joint ventures

Name	Relationship with the Company
Xiamen Chenhui Investment Partnership (Limited Partnership)	Associates, joint ventures
Fuzhou Liyu Investment Partnership (Limited Partnership)	Associates, joint ventures
Xiamen Xiangda Investment Partnership (Limited Partnership)	Associates, joint ventures
Xiamen Chenxue Investment Partnership (Limited Partnership)	Associates, joint ventures
Xiamen Lixiang Investment Partnership (Limited Partnership)	Associates, joint ventures
Suzhou Yuxin Real Estate Development Co., Ltd.	Associates, joint ventures
Xiamen Chenxin Investment Partnership (Limited Partnership)	Associates, joint ventures
Suzhou Ruizhi Real Estate Development Co., Ltd.	Associates, joint ventures
Xiamen Chenli Investment Partnership (Limited Partnership)	Associates, joint ventures
Nanjing Kaitai Venture Capital Partnership LLP	Associates, joint ventures
Shenzhen South China Investment Management Co., Ltd.	Associates, joint ventures
Xiamen Xiangyu Pengrui Investment Partnership (General Partnership)	Associates, joint ventures
Xiamen Xiangle Investment Partnership (Limited Partnership)	Associates, joint ventures
Straits Golden Bridge Property Insurance Co., Ltd.	Associates, joint ventures
Harbin Rural Commercial Bank Co., Ltd.	Associates, joint ventures
Fujian Xiangyu Thermal Power Co., Ltd.	Associates, joint ventures
Beian Xiangyu Thermal Power Co., Ltd.	Associates, joint ventures
PT Xiangyu Shipping Line	Joint Ventures, which were subsidiaries as of July 2024 and earlier
Xiamen Xiangrun Investment Partnership (Limited Partnership)	Subsidiaries affiliated with directors, supervisors and senior management
Gongwu Intelligent (Xiamen) Information Technology Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Shanghai Jianwan Real Estate Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Fujian Xiangyu Property Service Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Tianjin Tian'an Smart Port Property Service Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Zhihui (Tianjin) Business Operation Management Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Ace Mission Investments Limited	Subsidiaries affiliated with directors, supervisors and senior management
Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Inner Mongolia Minghua Clean Energy Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management

Name	Relationship with the Company
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Hainan Jiaxin Smart Logistics Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Bayan Nur G-Reach Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Tianjin Jizhi Intelligent Logistics Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Urad Zhongqi Yiteng Mining Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
E-Reach (Ningbo) Container Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Zhejiang Jinliantong International Trading Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Shanxi Shanyin Youyi Coal Industry Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Yizhi (Ejina Banner) Logistics Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Ejina Haotong ENERGY Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Ulanqab Haotong Energy Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Beijing E-Link Technology Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Yida Yunji Smart Logistics (Damaoqi) Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Tianyi (Damaoqi) Freight Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
E-Reach (Urad Zhongqi) Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Ejina RUYI Winsway ENERGY Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Ejin Banner Guangan Tong Customs Agent Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Urad Zhongqi G-Reach Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
HangJin International Trading Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Xiaoyi Jinrui Trade Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Guangxi Tiandong Jinsheng Chemical Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Guangxi Tiandong Jinxin Chemical Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Baotou Yizhi Logistics Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Zhejiang Anxin Trading Co., Ltd.	Subsidiaries affiliated with directors, supervisors and senior management
Zhongwang(Yingkou) High Precision Aluminum Industry Co., Ltd.	Proposed Acquisition Company, which will become a related party starting in November 2024
Yingkou Zhongwang Aluminum Business Co., Ltd.	Proposed Acquisition Company, which will

Name	Relationship with the Company
	become a related party starting in November 2024
Tianjin Xiangyu Aluminum Industry Co., Ltd.	Proposed Acquisition Company, which will become a related party starting in November 2024
Yingkou Zhongwang Carbon Products Co., Ltd.	Proposed Acquisition Company, which will become a related party starting in November 2024
Liaoyang Xiangyu Aluminum Industry Co., Ltd.	Proposed Acquisition Company, which will become a related party starting in November 2024
Yingkou Zhongwang Aluminum Materials Co., Ltd.	Proposed Acquisition Company, which will become a related party starting in November 2024
Jiangsu Delong Nickel Industry Co., Ltd.	Significant Minority Shareholders of Important Subsidiaries, and Enterprises that will be Significantly Influenced starting in November 2024
Xiangshui Heng Sheng Stainless Steel Casting Co., Ltd.	Enterprises that will be Significantly Influenced starting in November 2024
Xiangshui Juhe Metal Products Co., Ltd.	Enterprises that will be Significantly Influenced starting in November 2024
Xiangshui Defeng Metal Materials Co., Ltd.	Enterprises that will be Significantly Influenced starting in November 2024

13.5 Related Party Transactions

(a) Purchases or sales of goods, rendering or receiving of services

Purchases of goods, receiving of services:

Related parties	Nature of the transaction(s)	2024	2023
Zhejiang Anxin Trading Co., Ltd.	Purchases of goods	1,903,981,715.92	2,323,834,688.60
Tianjin Xiangyu Aluminum Industry Co., Ltd.	Purchases of goods	661,439,744.29	
Zhejiang Jinliantong International Trading Co., Ltd.	Purchases of goods	532,548,091.38	
Yingkou Zhongwang Aluminum Business Co., Ltd.	Purchases of goods	221,200,134.14	
Gao'an Chenghui Supply Chain Co., Ltd.	Purchases of goods	176,437,394.56	498,835,061.03
Hubei Guomao Ludao Supply Chain Co., Ltd.	Purchases of goods	164,898,212.01	18,275,760.59
Inner Mongolia Minghua Clean Energy Co., Ltd.	Purchases of goods	60,382,419.08	784,823,180.19
Ejina Haotong ENERGY Co., Ltd.	Purchases of goods	59,754,303.81	
Xiamen Hongyu Supply Chain Co., Ltd.	Purchases of goods	52,811,248.07	54,773,383.69
Ulanqab Haotong Energy Co., Ltd.	Purchases of goods	30,899,458.64	
Zhongwang(Yingkou) High Precision Aluminum Industry Co., Ltd.	Purchases of goods	7,922,827.99	

Related parties	Nature of the transaction(s)	2024	2023
Shanxi Shanyin Youyi Coal Industry Co., Ltd.	Purchases of goods	5,503,354.04	
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Purchases of goods	4,848,415.06	718,312,865.17
Xiamen Xihaiwan Cruise City Investment Co., Ltd.	Purchases of goods	2,508,962.26	
PT Xiangyu Shipping Line	Purchases of goods	362,611.91	
Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	Purchases of goods	46,096.30	
Yizhi (Ejina Banner) Logistics Co., Ltd.	Purchases of goods	26,906.90	
Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	Purchases of goods		1,734,443,976.24
Fujian Nanping Solar Cable Co., Ltd.	Purchases of goods		31,539,200.51
Jiangsu Delong Nickel Industry Co., Ltd.	Purchases of goods		8,127,433.63
Hainan Jiaxin Smart Logistics Co., Ltd.	Receiving of services	644,275,840.01	567,154,578.53
Bayan Nur G-Reach Co., Ltd.	Receiving of services	288,558,161.25	316,646,849.21
Urad Zhongqi Yiteng Mining Co., Ltd.	Receiving of services	101,262,278.45	131,943,771.87
Urad Zhongqi G-Reach Co., Ltd.	Receiving of services	89,229,329.21	
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Receiving of services	35,820,888.92	12,631,942.90
Tianjin Jizhi Intelligent Logistics Co., Ltd.	Receiving of services	29,051,323.79	276,807,399.14
Xiangshui Juhe Metal Products Co., Ltd.	Receiving of services	27,978,325.60	
Port of Jinzhou Xiangyu Grain Co., Ltd.	Receiving of services	21,832,570.51	27,641,490.94
Yizhi (Ejina Banner) Logistics Co., Ltd.	Receiving of services	21,130,187.19	
PT Xiangyu Shipping Line	Receiving of services	13,741,557.04	
Beijing E-Link Technology Co., Ltd.	Receiving of services	8,018,867.93	6,993,288.20
Yida Yunji Smart Logistics (Damaoqi) Co., Ltd.	Receiving of services	7,170,216.45	
Ejina RUYI Winsway ENERGY Co., Ltd.	Receiving of services	5,020,903.77	
Port of Dalian Xiangyu Grain Logistics Co., Ltd.	Receiving of services	2,499,619.94	9,290,571.35
Yingkou Zhongwang Carbon Products Co., Ltd.	Receiving of services	1,402,718.09	
E-Reach (Urad Zhongqi) Co., Ltd.	Receiving of services	676,592.00	
Shanxi Shanyin Youyi Coal Industry Co., Ltd.	Receiving of services	589,622.66	

Related parties	Nature of the transaction(s)	2024	2023
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Receiving of services	578,318.66	855,315.09
Ejin Banner Guangan Tong Customs Agent Co., Ltd.	Receiving of services	527,377.53	
Xiamen International Logistics Port Co. Ltd.	Receiving of services	500,584.70	751,813.02
Xiamen Internet of Thing Industry Research Institute Co., Ltd.	Receiving of services	396,392.00	11,320.75
Fujian Xiangyu Property Service Co., Ltd.	Receiving of services	306,199.55	
Tianyi (Damaoqi) Freight Co., Ltd.	Receiving of services	301,235.54	
Ejina Haotong ENERGY Co., Ltd.	Receiving of services	134,945.75	
Xiamen Modern Terminal Co., Ltd.	Receiving of services	1,178.31	
E-Reach (Ningbo) Container Co., Ltd.	Receiving of services		33,121,658.33
Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	Receiving of services		113,397.48
Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	Receiving of services		1,061.95
Gongwu Intelligent (Xiamen) Information Technology Co., Ltd.	Receiving of services		229,155.00

Sales of goods and rendering of services

Related parties	Nature of the transaction(s)	2024	2023
Zhejiang Jinliantong International Trading Co., Ltd.	Sales of goods	1,367,943,614.83	616,200,147.38
Yingkou Zhongwang Aluminum Materials Co., Ltd.	Sales of goods	871,510,178.52	
Ejina Haotong ENERGY Co., Ltd.	Sales of goods	351,353,787.04	
Hubei Guomao Ludao Supply Chain Co., Ltd.	Sales of goods	199,570,752.52	108,694,134.91
Tianjin Xiangyu Aluminum Industry Co., Ltd.	Sales of goods	72,732,392.73	
Xiamen Hongyu Supply Chain Co., Ltd.	Sales of goods	55,360,396.70	11,926,605.50
Liaoyang Xiangyu Aluminum Industry Co., Ltd.	Sales of goods	36,190,719.63	
Yingkou Zhongwang Carbon Products Co., Ltd.	Sales of goods	28,890,004.61	
Xiangyu Baoyuan (Xuzhou) Intelligent Manufacturing Co., Ltd.	Sales of goods	28,017,559.49	
Gao'an Chenghui Supply Chain Co., Ltd.	Sales of goods	15,679,448.08	99,828,774.55
Zhongwang(Yingkou) High Precision Aluminum Industry Co., Ltd.	Sales of goods	10,180,881.74	
Xiaoyi Jinrui Trade Co., Ltd.	Sales of goods	6,578,729.32	15,624,693.77

Related parties	Nature of the transaction(s)	2024	2023
Baotou Yizhi Logistics Co., Ltd.	Sales of goods	5,425,516.41	
Jiangsu Delong Nickel Industry Co., Ltd.	Sales of goods	2,851,341.84	
Port of Jinzhou Xiangyu Grain Co., Ltd.	Sales of goods	1,110,090.00	
Yingkou Zhongwang Aluminum Business Co., Ltd.	Sales of goods	128,805.30	
Xiamen Modern Terminal Co., Ltd.	Sales of goods	42,834.70	
Tianjin Tian An Science Parks Development Limited	Sales of goods	37,601.23	15,779.81
Harbin Chengyu Commercial Operation Co., Ltd.	Sales of goods	3,302.75	
Xiamen Financial Leasing Co., Ltd.	Sales of goods	2,201.83	
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Sales of goods	1,327.44	
Fujian Dengyun Real Estate Development Co., Ltd.	Sales of goods	1,100.92	
Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	Sales of goods		185,187,332.31
HangJin International Trading Co., Ltd.	Sales of goods		149,786,430.07
Inner Mongolia Minghua Clean Energy Co., Ltd.	Sales of goods		24,624,994.96
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Sales of goods		18,354,606.33
Guangxi Tiandong Jinsheng Chemical Co., Ltd.	Sales of goods		1,303,318.35
Guangxi Tiandong Jinxin Chemical Co., Ltd.	Sales of goods		1,298,114.39
Nanping Ruifeng Real Estate Co., Ltd.	Sales of goods		9,174.31
Shanxi Shanyin Youyi Coal Industry Co., Ltd.	Rendering of services	35,597,484.34	
Gao'an Chenghui Supply Chain Co., Ltd.	Rendering of services	15,679,448.08	1,016,089.64
Xiamen Xihaiwan Cruise City Investment Co., Ltd.	Rendering of services	9,748,128.69	8,415,688.54
Shanghai Zhaoyu Real Estate Co., Ltd.	Rendering of services	7,238,803.15	17,849,848.22
Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	Rendering of services	5,063,375.34	3,306,250.72
PT Xiangyu Shipping Line	Rendering of services	4,223,810.28	
Fujian Xiangyu Thermal Power Co., Ltd.	Rendering of services	3,078,807.56	
Shanghai Jianwan Real Estate Co., Ltd.	Rendering of services	2,004,518.81	20,865,592.87
Xiamen Xiangyu Ciai Elderly Nursing Center	Rendering of services	1,910,264.38	1,820,792.07
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Rendering of services	1,765,043.51	8,475.21

Related parties	Nature of the transaction(s)	2024	2023
Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	Rendering of services	1,484,704.35	1,575,272.82
Xiamen Mintai Ferry Co., Ltd.	Rendering of services	1,481,870.18	7,482,362.37
Xiamen Xiangyu Junxin Venture Capital Partnership (limited Partnership)	Rendering of services	1,415,094.32	1,752,911.12
Tianjin Xiangyu Aluminum Industry Co., Ltd.	Rendering of services	1,414,157.52	
Nanjing Xujiang Real Estate Development Co., Ltd.	Rendering of services	1,116,085.50	14,018,847.99
Suzhou Hengqing Real Estate Development Co., Ltd.	Rendering of services	908,646.52	
Fujian Dengyun Real Estate Development Co., Ltd.	Rendering of services	754,240.47	91,994.94
Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	Rendering of services	725,000.00	725,000.00
Fujian Youhao Supply Chain Management Co., Ltd.	Rendering of services	443,018.89	411,588.79
Hubei Guomao Ludao Supply Chain Co., Ltd.	Rendering of services	419,168.27	
Xiamen Modern Terminal Co., Ltd.	Rendering of services	232,036.28	12,346.23
Xiamen Zhaogang Luhe Property Management Co., Ltd.	Rendering of services	163,686.22	218,140.72
Nanping Ruifeng Real Estate Co., Ltd.	Rendering of services	144,066.01	2,029,819.23
Tianjin Tian An Science Parks Development Limited	Rendering of services	107,791.60	197,968.60
Shanghai Pancheng Real Estate Development Co., Ltd.	Rendering of services	99,056.61	82,075.47
Liaoyang Xiangyu Aluminum Industry Co., Ltd.	Rendering of services	89,704.23	
Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	Rendering of services	75,943.40	387,571.12
Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	Rendering of services	70,191.09	
Tianjin Tian'an Smart Port Property Service Co., Ltd.	Rendering of services	47,169.81	54,245.28
Harbin Rural Commercial Bank Co., Ltd.	Rendering of services	8,844.59	
Xiamen Rural Commercial Bank Co., Ltd.	Rendering of services	2,986.07	50,166.00
Fujian Xiangyu Property Service Co., Ltd.	Rendering of services	2,977.43	194,433.96
Xiamen Internet of Thing Industry Research Institute Co., Ltd.	Rendering of services	1,209.74	24,408.18
Zhejiang Anxin Trading Co., Ltd.	Rendering of services		10,733,612.10
Xiamen Hongyu Supply Chain Co., Ltd.	Rendering of services		3,282,383.75

Related parties	Nature of the transaction(s)	2024	2023
Ruiyu Xingxi Xianning Equity Investment Partnership LLP	Rendering of services		451,321.79
Fujian Xiangyu Real Estate Development Co., Ltd.	Rendering of services		125,188.68
Zhihui (Tianjin) Business Operation Management Co., Ltd.	Rendering of services		3,018.87

(b) Leases

The Company as lessor

The lessee	Nature of the transaction	2024	2023
Xiamen Financial Leasing Co., Ltd.	Housing lease, property fee	3,346,045.04	2,749,995.97
Xiamen Rural Commercial Bank Co., Ltd.	Housing lease, property fee		906,687.07
Port of Jinzhou Xiangyu Grain Co., Ltd.	Housing lease, property fee		7,964.60
Nanping Ruifeng Real Estate Co., Ltd.	Housing lease, property fee	456,101.28	
Tianjin Tian An Science Parks Development Limited	Housing lease, property fee	1,619,751.70	
Fujian Xiangyu Real Estate Development Co., Ltd.	Housing lease, property fee	170,477.36	
Zhihui (Tianjin) Business Operation Management Co., Ltd.	Housing lease, property fee	500,318.23	
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Housing lease, property fee	197,986.46	

The Company as lessee

The lessor	Nature of the transaction	2024	2023
Port of Jinzhou Xiangyu Grain Co., Ltd.	Housing lease	229,357.80	229,357.80
Ejina Haotong ENERGY Co., Ltd.	Housing lease	352,752.29	
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Housing lease	15,412.84	
Urad Zhongqi Yiteng Mining Co., Ltd.	Housing lease	43,577.98	36,697.24

(c) Borrowings and lendings

(i) Borrowings

Related parties	Borrowing	Repayment
Xiamen Hongyu Supply Chain Co., Ltd.	1,790,000.00	
Shanghai Xiangyu Logistics Development Co., Ltd.	105,000,000.00	

(ii) Lendings

Related parties	Lending	Collection
Xiamen Xihaiwan Cruise City Investment Co., Ltd.	877,910,975.52	877,910,975.52
Shanghai Zhaoyu Real Estate Co., Ltd.		166,500,000.00
Nanjing Xujiang Real Estate Development Co., Ltd.		78,666,816.03
Suzhou Yutai Real Estate Development Co., Ltd.		247,450,000.00
Suzhou Hengqing Real Estate Development Co., Ltd.	199,500,000.00	33,000,000.00

(d) Interest income and expenses

Related parties	Nature of the transaction(s)	2024	2023
Jiangsu Delong Nickel Industry Co., Ltd.	Interest expense	2,682,147.49	60,186,237.54
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Interest expense		3,699,413.13
Fuzhou Fengshunxiang Investment Co., Ltd.	Interest income	564,296.20	
Tianjin Tian An Science Parks Development Limited	Interest income	13,867,924.55	
Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	Interest income	-691,863.97	10,759,945.75
Shanghai Zhaoyu Real Estate Co., Ltd.	Interest income		5,072,065.00
Suzhou Hengqing Real Estate Development Co., Ltd.	Interest income	6,733,647.80	

(e) Guarantees

Please refer to Note 10.1 (b) for details of related party guarantee.

(f) Others

(i) The subsidiary, Xiangyu Group, and its subsidiaries applied for a comprehensive facility from the related parties, Harbin Rural Commercial Bank Co., Ltd. and Xiamen Rural Commercial Bank Co., Ltd. As at 31 December 2024, the loan balance due from related party Harbin Rural Commercial Bank is RMB 300 million, with interest charges of RMB 1.48 million. As at 31 December 2024, the balance of wealth management products purchased from related party Xiamen Rural Commercial Bank Co., Ltd. is nil, with gains from these products for year ended 2024 amounting to RMB 1.32 million.

(ii) The transaction between the subsidiary XMXYG Jinxiang Holdings Group Co., Ltd. and the associated enterprise Xiamen Rural Commercial Bank Co., Ltd. is as follows: the opening balance of RMB 495 million, new loan drawdowns of RMB 530 million, and loan repayment of RMB 495.05 million during the period. The closing loan balance was RMB 529.95 million. The total interest expense incurred during the period was RMB 17.451 million, and the commission fee for entrusted loans was RMB 14.3009 million.

13.6 Receivables and Payables with Related Parties

(a) Receivables

Items	Related parties	31 December 2024	31 December 2023
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Items	Related parties	31 December 2024	31 December 2023
Advances to suppliers	Tianjin Xiangyu Aluminum Industry Co., Ltd.	377,357,470.00	
Advances to suppliers	Xiamen Hongyu Supply Chain Co., Ltd.	77,500,000.00	208,500,000.00
Advances to suppliers	Port of Jinzhou Xiangyu Grain Co., Ltd.	60,517,935.51	67,383,539.94
Advances to suppliers	Zhejiang Jinliantong International Trading Co., Ltd.	34,309,779.03	
Advances to suppliers	Yingkou Zhongwang Aluminum Business Co., Ltd.	3,242,394.21	
Advances to suppliers	Zhongwang(Yingkou) High Precision Aluminum Industry Co., Ltd.	87,939.75	
Advances to suppliers	Xiamen International Logistics Port Co. Ltd.	40,000.00	
Advances to suppliers	Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	3,372.60	3,372.60
Advances to suppliers	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	1,505.81	
Advances to suppliers	Hubei Guomao Ludao Supply Chain Co., Ltd.		211,750,000.00
Advances to suppliers	Gao'an Chenghui Supply Chain Co., Ltd.		192,000,000.00
Advances to suppliers	Zhejiang Anxin Trading Co., Ltd.		69,802,064.62
Advances to suppliers	Urad Middle Banner Haotong Clean Energy Co., Ltd.		11,146,794.89
Accounts receivable	Yingkou Zhongwang Aluminum Materials Co., Ltd.	75,115,502.94	
Accounts receivable	Yingkou Zhongwang Carbon Products Co., Ltd.	33,067,771.48	
Accounts receivable	Tianjin Xiangyu Aluminum Industry Co., Ltd.	21,106,880.15	
Accounts receivable	HangJin International Trading Co., Ltd.	12,193,561.85	12,193,561.85
Accounts receivable	Ejina Haotong ENERGY Co., Ltd.	8,742,740.25	
Accounts receivable	Baotou Yizhi Logistics Co., Ltd.	7,114,654.22	
Accounts receivable	Suzhou Hengqing Real Estate Development Co., Ltd.	6,050,425.29	
Accounts receivable	Suzhou Yuxin Real Estate Development Co., Ltd.	5,300,000.00	
Accounts receivable	Xiamen Xiangyu Ciai Elderly Nursing Center	5,189,521.01	4,278,500.00
Accounts receivable	PT Xiangyu Shipping Line	3,363,137.58	
Accounts receivable	Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	1,583,920.50	1,091,111.31
Accounts receivable	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	700,000.00	4,988,269.09
Accounts receivable	Inner Mongolia Minghua Clean Energy Co., Ltd.	649,940.60	39,010,571.50

Items	Related parties	31 December 2024	31 December 2023
Accounts receivable	Zhongwang(Yingkou) High Precision Aluminum Industry Co., Ltd.	578,936.68	
Accounts receivable	Jiangsu Delong Nickel Industry Co., Ltd.	416,667.00	
Accounts receivable	Fujian Youhao Supply Chain Management Co., Ltd.	411,600.00	360,000.00
Accounts receivable	Liaoyang Xiangyu Aluminum Industry Co., Ltd.	309,076.28	
Accounts receivable	Yingkou Zhongwang Aluminum Business Co., Ltd.	153,889.04	
Accounts receivable	Nanjing Xujiang Real Estate Development Co., Ltd.	36,729.00	381,969.94
Accounts receivable	Hubei Guomao Ludao Supply Chain Co., Ltd.	16,827.90	
Accounts receivable	Harbin Rural Commercial Bank Co., Ltd.	9,375.27	
Accounts receivable	Xiamen Mintai Ferry Co., Ltd.	1,860.00	217,337.31
Accounts receivable	Urad Middle Banner Teng Sheng Da Energy Co., Ltd.		59,631,023.55
Accounts receivable	Xiaoyi Jinrui Trade Co., Ltd.		5,106,773.54
Accounts receivable	Zhejiang Jinliantong International Trading Co., Ltd.		5,215,911.84
Accounts receivable	Zhangzhou Development Zone Changhai Car Transport Co., Ltd.		271,514.00
Accounts receivable	Xiamen Financial Leasing Co., Ltd.		2,180.00
Dividend receivable	PT Xiangyu Shipping Line	18,703,933.36	
Other receivables	Xiangshui Defeng Metal Materials Co., Ltd.	6,483,355,506.97	
Other receivables	Xiangshui Juhe Metal Products Co., Ltd.	2,404,581,923.71	
Other receivables	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	1,070,045,556.47	1,067,368,097.98
Other receivables	Fuzhou Fengshunxiang Investment Co., Ltd.	873,317,500.00	997,317,500.00
Other receivables	Xiamen Xiangyang Investment Co., Ltd.	718,120,000.00	718,120,000.00
Other receivables	Tianjin Tian An Science Parks Development Limited	598,793,385.50	108,491,775.21
Other receivables	Suzhou Xiangyu Real Estate Co., Ltd.	483,475,000.00	440,975,000.00
Other receivables	Suzhou Hengqing Real Estate Development Co., Ltd.	166,500,000.00	
Other receivables	Xiamen Xiangda Investment Partnership (Limited Partnership)	68,014,000.00	
Other receivables	Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	41,399,170.44	44,365,626.23
Other receivables	Nanping Ruifeng Real Estate Co., Ltd.	30,233,772.10	30,074,895.04

Items	Related parties	31 December 2024	31 December 2023
Other receivables	Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	24,247,588.45	8,497,588.45
Other receivables	Shanghai Zhaoyu Real Estate Co., Ltd.	14,400,000.00	13,150,000.00
Other receivables	Fujian Youbao Supply Chain Management Co., Ltd.	7,500,000.00	8,000,000.00
Other receivables	Nanjing Xujiang Real Estate Development Co., Ltd.	5,373,605.24	85,816,249.03
Other receivables	Fujian Dengyun Real Estate Development Co., Ltd.	5,042,956.20	5,153,463.46
Other receivables	Xiamen Xiangyu Ciai Elderly Nursing Center	4,128,756.60	12,000,000.00
Other receivables	Yingkou Zhongwang Carbon Products Co., Ltd.	2,000,000.00	
Other receivables	Kunshan Xierui Real Estate Development Co., Ltd.	1,247,943.33	1,247,943.33
Other receivables	Suzhou Yutai Real Estate Development Co., Ltd.	673,735.75	62,328,408.33
Other receivables	PT Xiangyu Shipping Line	451,184.86	
Other receivables	Hebei Xiangyu Zhengfeng Real Estate Co. Ltd.	205,206.71	248,780.11
Other receivables	Fuzhou Xiangyu Ruoke Equity Investment Partnership LLP	183,938.00	183,538.00
Other receivables	Tianjin Tian'an Smart Port Property Service Co., Ltd.	50,000.00	
Other receivables	Xiamen International Logistics Port Co. Ltd.	40,000.00	40,000.00
Other receivables	Kunshan Jincui Real Estate Co., Ltd.	31,250.00	31,250.00
Other receivables	Liaoyang Xiangyu Aluminum Industry Co., Ltd.	17,000.00	
Other receivables	Xiamen Lixiang Investment Partnership (Limited Partnership)	8,000.00	
Other receivables	Xiamen Chenxue Investment Partnership (Limited Partnership)	5,000.00	
Other receivables	Xiamen Xiangyuan Investment Partnership (Limited Partnership)	3,000.00	3,000.00
Other receivables	Xiamen Xiangyu Chuangfu Investment Partnership LLP	2,524.62	183,921.00
Other receivables	Xiamen Chenhui Investment Partnership (Limited Partnership)	2,000.00	1,000.00
Other receivables	Xiamen Xiangyu Chuangying Investment Partnership LLP	1,525.00	1,525.00
Other receivables	Fuzhou Liyu Investment Partnership (Limited Partnership)	1,000.00	1,000.00
Other receivables	Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	260.00	260.00
Other receivables	Crystal Idea Management Limited		296,481,855.52
Other receivables	Suzhou Ruitai Real Estate Development Co., Ltd.		53,371,657.23

Items	Related parties	31 December 2024	31 December 2023
Other receivables	Shanghai Jianwan Real Estate Co., Ltd.		13,053,700.00
Other receivables	Xiamen Xiangsheng Investment Partnership LLP		3,105,000.00
Other receivables	Port of Jinzhou Xiangyu Grain Co., Ltd.		1,360,723.91
Other receivables	Bei'an Xiangyu Thermal Power Co., Ltd.		1,047,587.22
Other receivables	Fujian Xiangyu Thermal Power Co., Ltd.		1,000,000.00
Other receivables	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.		231,357.78
Other receivables	Zhejiang Anxin Trading Co., Ltd.		200,000.00
Other receivables	Guangxi Tiandong Jinxin Chemical Co., Ltd.		100,000.00
Other receivables	Xiamen Xiangrun Investment Partnership (Limited Partnership)		50,000.00
Other receivables	Fujian Xiangyu Property Service Co., Ltd.		5,048.66
Other receivables	Xiamen Chenhuan Investment Partnership (Limited Partnership)		5,000.00
Other receivables	Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.		97.82
Contract assets	Tianjin Xiangyu Aluminum Industry Co., Ltd.	920,106.74	
Contract assets	Liaoyang Xiangyu Aluminum Industry Co., Ltd.	54,080.66	

(b) Payables

Items	Related parties	31 December 2024	31 December 2023
Receipts in advance	Xiamen Financial Leasing Co., Ltd.	705,194.46	729,880.00
Receipts in advance	Xiamen Modern Terminal Co., Ltd.	9,958.05	
Accounts payable	Ulanqab Haotong Energy Co., Ltd.	43,000,000.00	
Accounts payable	Hainan Jiaxin Smart Logistics Co., Ltd.	10,570,016.53	42,887,019.62
Accounts payable	Ejina Haotong ENERGY Co., Ltd.	8,887,850.57	
Accounts payable	Tianjin Xiangyu Aluminum Industry Co., Ltd.	8,812,038.32	
Accounts payable	Urad Zhongqi G-Reach Co., Ltd.	5,902,917.66	
Accounts payable	Urad Zhongqi Yiteng Mining Co., Ltd.	4,305,791.53	24,925,623.59
Accounts payable	Baotou Yizhi Logistics Co., Ltd.	3,349,758.49	
Accounts payable	Hubei Guomao Ludao Supply Chain Co., Ltd.	2,367,772.20	

Items	Related parties	31 December 2024	31 December 2023
Accounts payable	PT Xiangyu Shipping Line	1,404,723.50	
Accounts payable	Yingkou Zhongwang Carbon Products Co., Ltd.	1,330,338.45	
Accounts payable	Bayan Nur G-Reach Co., Ltd.	1,241,384.13	48,029,176.77
Accounts payable	Urad Middle Banner Haotong Clean Energy Co., Ltd.	1,149,704.24	
Accounts payable	Yida Yunji Smart Logistics (Damaoqi) Co., Ltd.	885,935.32	
Accounts payable	Port of Dalian Xiangyu Grain Logistics Co., Ltd.	725,993.58	
Accounts payable	Yizhi (Ejina Banner) Logistics Co., Ltd.	569,716.70	
Accounts payable	Inner Mongolia Minghua Clean Energy Co., Ltd.	191,857.59	2,676,838.65
Accounts payable	Ejina RUYI Winsway ENERGY Co., Ltd.	42,555.19	
Accounts payable	Ejina Banner Guangan Tong Customs Agent Co., Ltd.	19,970.49	
Accounts payable	Tianyi (Damaoqi) Freight Co., Ltd.	5,935.94	
Accounts payable	Fujian Youhao Supply Chain Management Co., Ltd.	5,046.76	
Accounts payable	Xiamen International Logistics Port Co. Ltd.	1,950.00	4,562.80
Accounts payable	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	600.00	208,054.61
Accounts payable	Gao'an Chenghui Supply Chain Co., Ltd.		36,758,551.14
Accounts payable	Tianjin Jizhi Intelligent Logistics Co., Ltd.		22,329,466.76
Accounts payable	Jiangsu Delong Nickel Industry Co., Ltd.		11,402,593.75
Accounts payable	Fujian Nanping Solar Cable Co., Ltd.		6,448,379.58
Accounts payable	Xiamen Internet of Thing Industry Research Institute Co., Ltd.		1,315,792.30
Accounts payable	Port of Jinzhou Xiangyu Grain Co., Ltd.		173,919.11
Accounts payable	Shanghai Huajing Danfeng Real Estate Development Co., Ltd.		103,803.39
Accounts payable	Zhangzhou Development Zone Changhai Car Transport Co., Ltd.		41,880.06
Notes payable	Tianjin Xiangyu Aluminum Industry Co., Ltd.	172,440,079.14	
Notes payable	Urad Middle Banner Haotong Clean Energy Co., Ltd.	116,000,000.00	125,000,000.00
Notes payable	Xiamen Hongyu Supply Chain Co., Ltd.	77,500,000.00	
Notes payable	Ulanqab Haotong Energy Co., Ltd.	65,000,000.00	
Notes payable	Ejina Haotong ENERGY Co., Ltd.	29,801,371.19	

Items	Related parties	31 December 2024	31 December 2023
Notes payable	Zhongwang(Yingkou) High Precision Aluminum Lndustry Co., Ltd.	20,000,000.00	
Notes payable	Hubei Guomao Ludao Supply Chain Co., Ltd.	5,617,300.00	
Notes payable	Urad Middle Banner Teng Sheng Da Energy Co., Ltd.		588,000,000.00
Notes payable	Inner Mongolia Minghua Clean Energy Co., Ltd.		196,000,000.00
Notes payable	Gao'an Chenghui Supply Chain Co., Ltd.		97,822,860.78
Other payables	Shanghai Zhaoyu Real Estate Co., Ltd.	1,702,986,083.31	1,869,486,083.31
Other payables	Fujian Dengyun Real Estate Development Co., Ltd.	623,598,108.50	644,503,653.65
Other payables	Suzhou Xiangyu Real Estate Co., Ltd.	515,581,305.06	515,580,555.06
Other payables	Ace Mission Investments Limited	413,500,000.00	413,500,000.00
Other payables	Suzhou Yutai Real Estate Development Co., Ltd.	185,167,325.00	
Other payables	Xiamen Chenhuan Investment Partnership (Limited Partnership)	90,500,000.00	
Other payables	Fuzhou Liyu Investment Partnership (Limited Partnership)	85,118,425.34	40,463,588.69
Other payables	Xiamen Xiangyuan Investment Partnership (Limited Partnership)	77,700,000.00	30,850,000.00
Other payables	Nanjing Xujiang Real Estate Development Co., Ltd.	63,233,183.97	
Other payables	Xiamen Chenxin Investment Partnership (Limited Partnership)	60,524,855.43	60,537,355.43
Other payables	Kunshan Xierui Real Estate Development Co., Ltd.	60,201,000.00	60,414,000.00
Other payables	Shanghai Jianwan Real Estate Co., Ltd.	50,000,000.00	
Other payables	Fujian Xiangyu Real Estate Development Co., Ltd.	40,088,809.97	40,088,809.97
Other payables	Suzhou Ruizhi Real Estate Development Co., Ltd.	31,979,362.16	30,342,858.00
Other payables	Kunshan Jincui Real Estate Co., Ltd.	15,000,000.00	364,937,500.00
Other payables	Nanjing Kaitai Venture Capital Partnership LLP	6,000,000.00	6,000,000.00
Other payables	Shenzhen South China Investment Management Co., Ltd.	5,130,000.00	5,130,000.00
Other payables	Shanghai Pancheng Real Estate Development Co., Ltd.	5,000,000.00	440,000,000.00
Other payables	Hebei Xiangyu Zhengfeng Real Estate Co. Ltd.	4,149,840.00	4,149,840.00
Other payables	Xiamen Xiangrun Investment Partnership (Limited Partnership)	3,842,000.00	
Other payables	Xiamen Xiangle Investment Partnership (Limited Partnership)	2,350,500.00	
Other payables	Xiamen Xiangyu Pengrui Investment Partnership (General Partnership)	2,229,000.00	2,610,000.00
Other payables	Xiamen Financial Leasing Co., Ltd.	292,342.00	292,342.00

Items	Related parties	31 December 2024	31 December 2023
Other payables	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	39,393.71	82,603.35
Other payables	Tianjin Tian An Science Parks Development Limited	28,741.14	97,361.14
Other payables	Suzhou Hengqing Real Estate Development Co., Ltd.	15,597.40	
Other payables	Xiamen Xiangda Investment Partnership (Limited Partnership)	2,000.00	
Other payables	Jiangsu Delong Nickel Industry Co., Ltd.		117,943,124.18
Other payables	Xiamen Chenli Investment Partnership (Limited Partnership)		6,730,000.00
Other payables	Xiamen Hongyu Supply Chain Co., Ltd.		2,110,222.86
Other payables	Xiamen Internet of Thing Industry Research Institute Co., Ltd.		340,958.43
Other payables	Xiamen Rural Commercial Bank Co., Ltd.		126,710.00
Other payables	Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.		4,972.60
Other current liabilities	Shanghai Xiangyu Logistics Development Co., Ltd.	105,000,000.00	105,000,000.00
Other current liabilities	Xiamen Financial Leasing Co., Ltd.	53,983,362.86	7,614.17
Other current liabilities	Jiangsu Delong Nickel Industry Co., Ltd.	11,068,909.62	
Other current liabilities	Tianjin Xiangyu Aluminum Industry Co., Ltd.	1,817.50	
Other current liabilities	Zhejiang Jinliantong International Trading Co., Ltd.		2,207,820.24
Other current liabilities	Gao'an Chenghui Supply Chain Co., Ltd.		1,999,637.64
Other current liabilities	Port of Jinzhou Xiangyu Grain Co., Ltd.		97,969.86
Contract liabilities	Xiamen Financial Leasing Co., Ltd.	415,380,822.99	126,902.83
Contract liabilities	Jiangsu Delong Nickel Industry Co., Ltd.	85,145,458.66	
Contract liabilities	Tianjin Xiangyu Aluminum Industry Co., Ltd.	15,033,248.78	
Contract liabilities	Xiamen Xiangyu Junxin Venture Capital Partnership (limited Partnership)	1,000,000.00	1,000,000.00
Contract liabilities	Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	483,333.33	1,208,333.33
Contract liabilities	Xiamen Rural Commercial Bank Co., Ltd.	175,000.00	
Contract liabilities	Straits Golden Bridge Property Insurance Co., Ltd.	63,684.88	
Contract liabilities	Xiamen Modern Terminal Co., Ltd.	9,542.02	15,835.64
Contract liabilities	Zhejiang Jinliantong International Trading Co., Ltd.		17,148,801.01

Items	Related parties	31 December 2024	31 December 2023
Contract liabilities	Gao'an Chenghui Supply Chain Co., Ltd.		15,445,126.82
Contract liabilities	Port of Jinzou Xiangyu Grain Co., Ltd.		1,112,030.14

14. NOTES TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

14.1 Accounts Receivable

(a) Accounts receivable by aging

Aging	31 December 2024	31 December 2023
Within one year	291,729.23	327,863.77
1-2 years		44,781,907.69
2-3 years	44,781,907.69	
Subtotal	45,073,636.92	45,109,771.46
Less: provision for bad debt	8,959,294.45	4,481,623.34
Total	36,114,342.47	40,628,148.12

(b) Accounts receivable by bad debt provision method

Category	31 December 2024				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised by groups	45,073,636.92	100.00	8,959,294.45	19.88	36,114,342.47
Including: Group 2	45,073,018.01	100.00	8,959,294.45	19.88	36,113,723.56
Group 3	618.91				618.91
Total	45,073,636.92	100.00	8,959,294.45	19.88	36,114,342.47

(Continued)

Category	31 December 2023				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised by groups	45,109,771.46	100.00	4,481,623.34	9.93	40,628,148.12
Including: Group 2	45,109,771.46	100.00	4,481,623.34	9.93	40,628,148.12
Total	45,109,771.46	100.00	4,481,623.34	9.93	40,628,148.12

(c) Changes of provision for bad debt during the reporting period

Category	31 December 2023	Changes during the reporting period	31 December 2024
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		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised by groups	4,481,623.34	4,477,671.11				8,959,294.45

14.2 Other Receivables

(a) Other receivables by category

Items	31 December 2024	31 December 2023
Interest receivable		
Dividend receivable	180,216,341.85	40,261,587.04
Other receivables	30,434,914,498.95	18,967,172,813.13
Total	30,615,130,840.80	19,007,434,400.17

(b) Dividends receivable

Items (or the investees)	31 December 2024	31 December 2023
Heilongjiang Jinxiang Biochemical Co., Ltd.	9,293,182.85	9,293,182.85
Chenyu Investment Partnership (Limited Partnership)	165,294,946.94	30,968,404.19
Xiamen Xiangzi Investment Partnership Enterprise (Limited Partnership)	5,628,212.06	
Subtotal	180,216,341.85	40,261,587.04
Less: Provision for bad debt		
Total	180,216,341.85	40,261,587.04

(c) Other Receivables

(i) Other receivables by aging

Aging	31 December 2024	31 December 2023
Within one year	30,430,846,496.19	18,955,156,668.80
1-2 years	65,621.12	11,994,833.88
2-3 years	3,987,931.64	
4-5 years		4,000.00
Over 5 years	22,435.00	18,435.00
Subtotal	30,434,922,483.95	18,967,173,937.68
Less: provision for bad debt	7,985.00	1,124.55
Total	30,434,914,498.95	18,967,172,813.13

(ii) Other receivables by bad debt provision method

A. As at 31 December 2024, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	30,434,922,483.95	7,985.00	30,434,914,498.95

B. As at 31 December 2023, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	18,967,173,937.68	1,124.55	18,967,172,813.13

(iii) Changes of provision for bad debt during the reporting period

Category	31 December 2023	Changes during the reporting period				31 December 2024
		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised by groups	1,124.55	6,860.45				7,985.00

14.3 Long-term Equity Investments

Items	31 December 2024			31 December 2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Subsidiaries	22,073,408,492.74	169,200,000.00	21,904,208,492.74	22,339,283,193.16	169,200,000.00	22,170,083,193.16
Joint ventures and associates	353,840,996.55	64,916,008.15	288,924,988.40	5,950,421,987.12	64,916,008.15	5,885,505,978.97
Total	22,427,249,489.29	234,116,008.15	22,193,133,481.14	28,289,705,180.28	234,116,008.15	28,055,589,172.13

(a) Investments in subsidiaries

Investees	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024	Provision for impairment during the reporting period	Provision for impairment at 31 December 2024
Xiamen Xiangyu Co., Ltd.	3,459,206,771.44	6,135,685.95		3,465,342,457.39		
Xiamen Xiangyu Golden Elephant Holding Group Co., Ltd.	3,738,263,538.54			3,738,263,538.54		
Xiangyu Real Estate Group Co., Ltd.	3,339,226,174.81	7,240,327.88		3,346,466,502.69		
Xiamen Xiangsheng Nickel Industry Co., Ltd.	2,832,886,217.70			2,832,886,217.70		
Heilongjiang Jinxiang Biochemical Co., Ltd.	1,822,867,500.00			1,822,867,500.00		
Fujian Xiangyu and Shell Petroleum Company Limited	577,304,800.00			577,304,800.00		
Xiamen Xiang Cai Investment Partnership (Limited Partnership)	199,916,323.08			199,916,323.08		
Xiamen Xiang Yu Investment Partnership (Limited Partnership)	9,900,000.00			9,900,000.00		
Xiamen Railway Logistics Investment Co., Ltd.	282,121,308.66			282,121,308.66		
Xiamen Xiangyu Xinghong Technologies Co., Ltd.						163,260,000.00
Xiamen Xiangyu Investment Co., Ltd.	1,301,596,682.71			1,301,596,682.71		
Hong Kong Xiangyu Caiyi CO., Limited	68,845,000.00			68,845,000.00		
HONGKONG XIANGYU INVESTMENT CO., LIMITED	63,582,222.36			63,582,222.36		
Xiamen Xiangcai Investment Partnership (Limited Partnership)	644,000,000.00		644,000,000.00			
Xiamen Xiangyu International Trading Development Co.						6,000,000.00
Xiamen International Cruise Home Port Group Co., Ltd.	1,601,713,770.77			1,601,713,770.77		
Xiamen Xiangchen Investment Partnership (Limited Partnership)	1,000,000,000.00			1,000,000,000.00		
Xiamen New Weilian Food Industy Try Co., Ltd.	60,574,437.94			60,574,437.94		

Investees	31 December 2023	Increase during the reporting period	Decrease during the reporting period	31 December 2024	Provision for impairment during the reporting period	Provision for impairment at 31 December 2024
Xiamen Chenyu Investment Partnership (Limited Partnership)	349,300,000.00			349,300,000.00		
Xiamen Xiangkun Investment Partnership (Limited Partnership)	38,000,000.00			38,000,000.00		
Xiamen Xiangyu Industrial Development Group Co., Ltd.	463,919,814.95			463,919,814.95		
Xiamen Xiangyu Free Trade Zone Development Co., Ltd.	316,858,630.20			316,858,630.20		
Fuzhou Xianglai Enterprise Management Co., Ltd.		50,000,000.00		50,000,000.00		
Xiamen Xiangzi Investment Partnership Enterprise (Limited Partnership)		314,749,285.75		314,749,285.75		
Total	22,170,083,193.16	378,125,299.58	644,000,000.00	21,904,208,492.74		169,200,000.00

(b) Investments in joint ventures and associates

Investees	31 December 2023	Changes during the reporting period			Adjustments of other comprehensive income
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	
Associates:					
Fu Jian Provincial Port Group Co., Ltd.	5,561,360,678.79			102,085,957.49	211,975,999.67
Haixia Goldenbridge Insurance Co., Ltd.	53,113,097.58				
Xiamen Modern Terminal Co., Ltd.	116,351,453.08			6,839,147.20	64,553.33
Xiamen International Logistics Port Co., Ltd.	64,579,975.89			-3,976,222.79	
Fujian Xingzheng Strategy Venture Capital Partnership LLP	16,388,413.81			-1,040,555.80	
Linxia Xialin Economic Development Co., Ltd.	30,902,555.32			-1,134,332.93	
Zhongnan Growth (Tianjin) Equity Investment Fund Partnership LLP	8,403,219.29			-55,010.58	-2,084,702.15

Investees	31 December 2023	Changes during the reporting period			
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income
China Cultural Industry Investment Fund of Fund Management Co., Ltd.	25,197,774.09				
Shenzhen Zhongnan Chengzhang Investment Management Co., Ltd.	5,441,576.93			26,201.96	
Shenzhen Zhongnan Growth Investment Partnership LLP	3,767,234.19			169,950.33	-328,035.00
Total	5,885,505,978.97			102,915,134.88	209,627,815.85

(Continued)

Investees	Changes in other equity	Changes during the reporting period				Provision for impairment at 31 December 2024
		Declaration of cash dividends or distribution of profit	Provision for impairment	Others	31 December 2024	
Associates:						
Fu Jian Provincial Port Group Co., Ltd.	5,117,893.10			-5,880,540,529.05		
Haixia Goldenbridge Insurance Co., Ltd.					53,113,097.58	64,916,008.15
Xiamen Modern Terminal Co., Ltd.	-11,040.42	8,178,300.00			115,065,813.19	
Xiamen International Logistics Port Co. Ltd.	3,115.31				60,606,868.41	
Fujian Xingzheng Strategy Venture Capital Partnership LLP					15,347,858.01	
Linxia Xialin Economic Development Co., Ltd.					29,768,222.39	
Zhongnan Growth (Tianjin) Equity Investment Fund Partnership LLP					6,263,506.56	
China Cultural Industry Investment Fund of Fund Management Co., Ltd.				-25,197,774.09		
Shenzhen Zhongnan Chengzhang Investment Management Co., Ltd.					5,467,778.89	
Shenzhen Zhongnan Growth Investment Partnership LLP		317,306.15			3,291,843.37	

Investees	Changes during the reporting period				31 December 2024	Provision for impairment at 31 December 2024
	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	Others		
Total	5,109,967.99	8,495,606.15		-5,905,738,303.14	288,924,988.40	64,916,008.15

14.4 Revenue and Cost of Sales

Items	2024		2023	
	Revenue	Costs of sales	Revenue	Costs of sales
Other activities	313,429,132.79	63,367,990.18	220,046,000.02	64,777,073.22

14.5 Investment Income

Items	2024	2023
Investment income from long-term equity investments under equity method	102,915,134.88	104,629,276.29
Gains on disposal of long-term equity investments	20,137,484.40	-27,834,581.95
Investment income from held-for-trading financial assets during the holding period	141,519,504.63	225,615,278.43
Gains on disposal of held-for-trading financial assets	78,376,332.67	64,710,454.05
Investment income from long-term equity investments under cost method	593,207,476.95	837,864,634.10
Total	936,155,933.53	1,204,985,060.92

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 27 April 2025.



Auditor's Report

XMXYG Corporation

RSMSZ[2024]No.361Z0150

RSM CHINA CPA LLP

BEIJING·CHINA

This auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. In case the English version does not conform to the Chinese version, the Chinese version prevails.

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Auditor's Report

RSMSZ[2024]No.361Z0150

To XMYG Corporation:

I. Opinion

We have audited the financial statements of XMYG Corporation (hereinafter referred to as "the Company"), which comprise the consolidated and the parent company's balance sheet as at 31 December 2023, the consolidated and the parent company's income statement, the consolidated and the parent company's statement of cash flows, the consolidated and the parent company's statement of changes in equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying Company's financial statements present fairly, in all material respects, the consolidated and the company's financial position as at 31 December 2023, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with Chinese Standards on Auditing (CSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

III. Other information

Management of the Company is responsible for the other information. The other

information comprises the information included in the Annual Report of ABC Company for the year of 2023, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

IV. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company (hereinafter referred to as "the Management") is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards of Business Enterprises, and for the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing (if 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 supervising the processing for preparation of the Company's financial statements.

V. Auditor's Responsibilities for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (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 the internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and

events in a manner that achieves fair 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 the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

(This is a seal page for Auditor's Report of RSMSZ[2024]No.361Z0150 for XMXYG Corporation without text.)



Beijing · China

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中国注册会计师
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Pan Yabin

China Certified Public accountant

26 April 2024



Consolidated Balance Sheet 31 December 2023

Prepared by: XMYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2023-12-31	2022-12-31
Current assets:			
Monetary funds	6.1	37,977,176,776.64	38,197,181,522.24
Financial assets held-for-trading	6.2	6,941,402,825.37	4,628,076,347.00
Derivative financial assets	6.3	305,080,704.16	138,337,064.84
Notes receivable	6.4	803,182,213.00	466,402,845.41
Accounts receivable	6.5	17,447,145,869.59	13,526,019,401.30
Accounts receivable financing	6.6	593,907,074.20	1,591,694,060.62
Advances to suppliers	6.7	25,242,441,773.19	17,701,153,903.35
Other receivables	6.8	22,338,100,511.99	16,908,152,542.67
Including: Interests receivable			82,795,810.21
Dividend receivable		49,709,350.77	110,459,678.07
Inventories	6.9	104,628,481,255.78	92,627,679,703.52
Contract assets	6.10	651,409,814.60	755,227,187.45
Assets classified as held for sale			
Non-current assets maturing within one year	6.11	3,025,132,287.06	4,102,325,813.68
Other current assets	6.12	16,688,691,713.61	11,025,151,496.65
Total current assets		236,642,152,819.19	201,667,401,888.73
Non-current assets:			
Debt investments	6.13	2,717,633,463.88	4,267,543,619.40
Other debt investments			
Long-term receivables	6.14	2,751,322,960.08	2,063,577,311.94
Long-term equity investments	6.15	16,597,497,811.38	9,764,141,372.58
Other equity instrument investment			
Other non-current financial assets	6.16	6,403,583,730.74	11,329,274,946.03
Investment properties	6.17	5,415,247,476.25	4,812,169,135.99
Fixed assets	6.18	37,472,679,438.64	38,062,102,287.49
Construction in progress	6.19	4,202,293,885.71	4,673,469,777.64
Productive biological assets			
Oil and gas assets			
Right-of-use assets	6.20	2,477,323,117.26	1,747,362,196.79
Intangible assets	6.21	4,420,166,722.31	4,113,722,663.12
Development expenditures	6.22	11,646,873.69	9,073,230.31
Goodwill	6.23	43,655,762.78	50,190,716.25
Long-term deferred expenses	6.24	517,816,004.02	373,838,863.45
Deferred tax assets	6.25	4,466,778,960.50	3,148,907,479.65
Other non-current assets	6.26	7,448,309,638.57	6,878,292,911.15
Total non-current assets		94,945,955,845.81	91,293,666,511.78
Total assets		331,588,108,665.00	292,961,068,400.51

Legal Representative:

Chief Financial Officer:

Finance Manager:



王剑莉

蔡圣

Consolidated Balance Sheet (Cont.) 31 December 2023

Prepared by: XMXSG Corporation

Unit: Yuan Currency: RMB

Items	Note	2023-12-31	2022-12-31
Current liabilities:			
Short-term borrowings	6.27	46,699,820,266.37	33,942,101,437.69
Financial liabilities held-for-trading			
Derivative financial liabilities	6.28	1,111,421,427.32	803,551,358.03
Notes payable	6.29	29,435,484,537.39	23,391,921,020.74
Accounts payable	6.30	21,298,052,459.84	19,976,074,932.17
Receipts in advance	6.31	81,511,013.57	57,934,608.74
Contract liabilities	6.32	53,946,894,552.82	35,340,389,388.50
Employee benefits payable	6.33	1,687,033,544.12	1,947,622,059.10
Taxes payable	6.34	1,944,978,984.97	2,208,484,239.06
Other payables	6.35	11,746,646,525.42	13,044,351,466.45
Including: Interests payables			
Dividend payables		380,558,319.88	130,847,032.70
Liabilities classified as held for sale			
Non-current liabilities maturing within one year	6.36	15,474,832,104.25	13,397,770,304.38
Other current liabilities	6.37	13,800,911,084.58	12,265,875,683.46
Total current liabilities		197,227,586,500.65	156,376,076,498.33
Non-current liabilities:			
Long-term borrowings	6.38	26,103,641,720.16	34,345,934,951.35
Bonds payable	6.39	16,584,998,524.26	12,850,364,348.55
Including: Preference share			
Perpetual debt			
Lease liabilities	6.40	1,068,370,231.56	1,024,763,014.78
Long-term payables	6.41	1,536,677,775.99	1,050,834,531.02
Long-term employee benefits payable	6.42	687,022,629.73	917,061,381.11
Estimated liabilities	6.43	82,609,126.33	49,170,441.55
Deferred income	6.44	539,017,483.07	583,101,493.60
Deferred tax liabilities	6.25	226,157,877.14	741,020,363.55
Other non-current liabilities	6.45	41,575,795.93	1,873,704,039.31
Total non-current liabilities		46,870,071,164.17	53,435,954,564.81
Total liabilities		244,097,657,664.82	209,812,031,063.14
Owners' equity			
Paid-in capital	6.46	1,775,908,300.00	1,775,908,300.00
Other equity instruments	6.47	8,216,700,000.00	6,210,000,000.00
Including: Preference shares			
Perpetual debt		8,216,700,000.00	6,210,000,000.00
Capital reserves	6.48	11,350,589,019.68	10,180,802,484.74
Less: Treasury stock			
Other comprehensive income	6.49	-9,694,805.66	294,765,668.00
Special reserves	6.50	659,463.80	7,745,162.56
Surplus reserves	6.51	416,602,139.09	337,026,693.13
General risk reserves	6.52	22,338,459.25	26,428,873.80
Retained earnings	6.53	7,802,316,338.92	8,519,865,410.08
Total owner's equity attributable to parent company		29,575,419,115.08	27,352,542,592.31
Non-controlling interests		57,915,031,885.10	55,796,494,745.06
Total owners' equity		87,490,451,000.18	83,149,037,337.37
Total liabilities and owners' equity		331,588,108,665.00	292,961,068,400.51

Legal Representative:

利张
印水

Chief Financial Officer:

王剑荆

Finance Manager:

蔡圣

Consolidated Income Statement
For the year ended 31 December 2023

Prepared by: XMYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2023	2022
I. Revenue		490,498,158,818.62	562,621,533,892.92
Including: operating revenue	6.54	490,498,158,818.62	562,621,533,892.92
II. Cost of sales		489,165,129,916.73	556,114,550,282.69
Including: operating cost	6.54	477,453,949,397.30	546,363,668,797.26
Taxes and surcharges		1,109,521,719.00	1,077,329,381.35
Selling and distribution expenses	6.55	2,885,032,168.87	3,195,126,686.60
General and administrative expenses	6.56	2,674,099,418.40	2,651,149,193.12
Research and development expenses	6.57	166,824,606.56	127,034,917.89
Finance costs	6.58	4,875,702,606.60	2,700,241,306.47
Including: Interest expense		4,782,830,212.87	4,093,329,498.06
Interest income		688,039,178.05	518,486,858.15
Add: Other income	6.59	782,105,330.89	613,705,647.04
Investment income/(losses)	6.60	499,134,731.11	1,139,345,498.16
Including: Investment income from associates and joint ventures		317,432,257.69	144,207,184.33
Gains/(losses) from derecognition of financial assets measured at amortised cost		-87,184,392.26	-143,769,519.55
Income/(losses) from net exposure hedging			
Gains/(losses) from changes in fair values	6.61	449,879,576.32	-657,569,049.10
Credit impairment losses	6.62	-1,195,642,763.12	-316,838,755.18
Asset impairment losses	6.63	-785,679,457.43	-963,534,192.25
Gains/(losses) from disposal of assets	6.64	51,125,098.22	37,783,601.75
III. Profit/(loss) from operations		1,133,951,417.88	6,359,876,360.65
Add: Non-operating income	6.65	362,720,091.11	671,453,218.47
Less: Non-operating expenses	6.66	152,715,718.06	412,440,560.92
IV. Profit/(loss) before tax		1,343,955,790.93	6,618,889,018.20
Less: Income tax expenses	6.67	348,759,782.80	1,777,978,204.76
V. Net profit/(loss) for the year		995,196,008.13	4,840,910,813.44
(i) Net profit/(loss) by continuity			
Net profit/(loss) from continuing operation		995,196,008.13	4,840,910,813.44
Net profit/(loss) from discontinued operation			
(ii) Net profit/(loss) by ownership attribution			
Attributable to owners of the parent		102,864,345.88	2,014,992,284.10
Attributable to non-controlling interests		892,331,662.25	2,825,918,529.34
VI. Other comprehensive income for the year, after tax		-225,119,828.00	763,241,894.89
(a) Attributable to owners of the parent		-304,460,473.66	366,281,528.80
(i) Other comprehensive income that will not be reclassified		-361,744,195.19	-1,825,459.25
1. Remeasurement gains or losses of a defined benefit plan			
2. Other comprehensive income using the equity method that will not be reclassified subsequently to profit and loss		-361,744,195.19	-1,825,459.25
3. Changes in fair value of other equity instrument investment			
4. Changes in fair value of the Company's own credit risks			
(ii) Other comprehensive income to be reclassified subsequently to profit or loss		57,283,721.53	368,106,988.05
1. Other comprehensive income using the equity method which will be reclassified subsequently to profit or loss		12,811,096.72	-26,734,734.60
2. Changes in fair value of other debt instrument investment			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Provision for credit impairment in other debt investments			
5. Reserve for cash flow hedges		-479,977.35	-8,633,966.94
6. Exchange differences on translating foreign operations		44,952,602.16	405,475,689.59
(b) Attributable to non-controlling interests		79,340,645.66	396,960,366.09
VII. Total comprehensive income for the year		770,076,180.13	5,604,152,708.33
Attributable to owners of the parent		-201,596,127.78	2,381,273,812.90
Attributable to non-controlling interests		971,672,307.91	3,222,878,895.43

Legal Representative:

Chief Financial Officer:

Finance Manager:



王剑君

蔡圣

Consolidated For	
XXVYX Corporation	Items
from operating activities	
from the sale of goods and the rendering of	
from tax refund	
received relating to investment activities	

Unit: Yuan Currency: RMB

Items	Note	2023	2022
I. Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		569,258,783,066.63	639,060,667,748.46
Cash received from tax refund		3,007,540,511.83	3,188,295,454.52
Other cash received relating to operating activities		39,960,758,418.24	36,878,585,038.15
Subtotal of cash inflows from operating activities		612,227,081,996.70	679,127,546,241.13
Cash payments for goods purchased and services received		538,905,290,111.88	609,772,989,388.76
Cash payments to and on behalf of employees		4,544,114,274.51	3,936,530,492.30
Payments for taxes		8,442,323,706.30	8,252,677,208.30
Other cash payments relating to operating activities		51,572,340,701.86	44,313,610,485.46
Subtotal of cash outflows from operating activities		603,464,068,794.55	666,275,807,574.32
Net cash flows from operating activities		8,763,013,202.15	12,851,738,666.81
II. Cash flows from investing activities			
Cash received from disposal and redemption of investments		76,874,888,932.64	42,740,144,687.55
Cash received from returns on investments		816,005,538.62	294,719,972.01
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		47,470,756.27	412,479,235.10
Net cash received from disposals of subsidiaries and other business units		4,667,441.56	4,972,462.19
Other cash received relating to investing activities		413,810,057.26	250,849,903.26
Subtotal of cash inflows from investing activities		78,156,842,726.35	43,703,166,260.11
Cash payments to acquire fixed, intangible and other long-term assets		3,254,305,512.22	8,087,699,288.60
Cash payments to acquire investments		72,328,812,467.64	46,995,916,568.06
Net cash payments to acquire subsidiaries and other business units		117,381,466.80	326,764,610.45
Other cash payments relating to investing activities		9,624,285,300.26	970,323,169.99
Subtotal of cash outflows from investing activities		85,324,784,746.86	56,380,703,637.10
Net cash flows from investing activities		-7,167,942,020.51	-12,677,537,376.99
III. Cash flows from financing activities			
Cash received from capital contributions		18,652,981,343.24	25,214,799,254.67
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		14,439,481,343.24	20,384,799,254.67
Cash received from borrowings		156,771,705,993.98	167,295,150,550.27
Other cash received relating to financing activities		7,032,302,951.72	944,106,643.53
Subtotal of cash inflows from financing activities		182,456,990,288.94	193,454,056,448.29
Cash repayments of debts		155,480,166,448.75	155,977,827,886.64
Cash payments for dividends, distribution of profit and interest expenses		8,590,809,506.31	7,067,257,958.75
Including: Dividends, distribution of profit paid to non-controlling shareholders of subsidiaries		1,787,063,225.83	2,007,619,982.52
Other cash payments relating to financing activities		18,181,210,055.54	18,663,702,925.64
Subtotal of cash outflows from financing activities		182,252,186,010.60	181,708,788,770.43
Net cash flows from financing activities		204,804,278.34	11,745,267,677.86
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-73,984,024.86	194,502,616.38
V. Net increase / (decrease) in cash and cash equivalents		1,728,791,435.12	12,213,971,584.06
Plus: Cash and cash equivalents at the beginning of the period		30,907,507,037.96	18,693,535,453.90
VI. Cash and cash equivalents at the end of the period		32,636,298,473.08	30,907,507,037.96

利张
印水
3502016071017

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Prepared by: XIMMY Corporation

Prepared by: XIMVVC Corporation

Unpl: Yuan Cui, MD, PhD

Items	2023													Unit: Yuan, Hundred Thousand
	Owners' equity attributable to the parent company:													
	Paid-in capital	Preference shares	Other equity instruments	Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity	
			Perpetual capital securities											
Balance at 31 December 2022	1,775,900,300.00		6,210,000,000.00	10,180,002,464.74		794,765,668.00	7,745,162.56	337,036,693.13	26,438,873.80	8,519,865,410.08	17,352,542,592.31	55,796,894,745.06	831,480,073,337.37	
Adjust: Changes in accounting policies														
Correction of prior period errors														
Business combination under common control														
Others														
Balance at 1 January 2023	1,775,900,300.00		6,210,000,000.00	10,180,002,464.74		294,765,668.00	7,745,162.56	337,036,693.13	26,438,873.80	8,519,865,410.08	17,352,542,592.31	55,796,894,745.06	831,480,073,337.37	
III. Changes in equity during the reporting period														
1. Total comprehensive income			2,006,700,000.00	1,169,796,554.94		-306,460,473.66	-7,085,608.76	79,575,445.96	-4,090,414.55	-771,548,871.16	2,231,879,532.77	2,138,537,140.04	4,341,813,662.81	
(a) Capital contributions or withdrawals by owners						-306,460,473.66				302,864,545.48	-323,598,127.78	971,672,387.91	770,936,189.13	
1. Ordinary shares contributed by shareholders				1,159,846,599.36						3,166,316,599.36	3,831,549,232.54	6,998,946,769.90		
1.1 Issued shares by shareholders				1,185,440,380.78						1,185,440,380.78	2,269,979,232.38	3,454,236,139.16		
2. Capital contributed by holders of other equity instruments				-18,623,707.31						1,981,094,292.69		3,662,932,716.94		
3. Share-based payments recognized as owners' equity				2,006,700,000.00										
4. Others														
(b) Profit distribution														
1. Transfer to surplus reserves				-7,134,180.11						-7,134,180.11		-10,211,979.66	-17,146,159.77	
2. Transfer to general risk reserves												-101,396,906.43	-101,396,906.43	
3. Profit distribution to owners														
4. Others														
(c) Transfer within owners' equity														
1. Capital reserves converted to paid-in capital														
2. Surplus reserves converted to paid-in capital														
3. Loss made up by surplus reserves														
4. Changes in the amount of plan transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(d) Special reserves														
1. Withdrawal during the reporting period														
2. Usage during the reporting period														
(e) Others														
Balance at 31 December 2023	1,775,900,300.00		8,216,700,000.00	11,450,659,019.68		-9,694,805.66	659,463.80	416,600,139.09	21,334,459.25	7,800,216,530.92	79,575,445,115.06	57,913,630,185.10	87,689,451,000.18	

Legal Representative.

Chief Financial Officer:

Supplier Address:

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Consolidated Statement of Changes in Owners' Equity For the year ended 31 December 2023

Prepared by: XASX (P) Limited

Unit: Yuan Currency: RMB

Items	2022									
	Owners' equity attributable to the parent company									
	Public capital	Other equity instruments	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Subtotal	Non-controlling interests
I. Balance at 1 January 2021	1,775,000,000.00	6,030,000,000.00	3,444,799,502.64	-71,515,860.80	162,102.61	246,706,539.92	30,359,269.79	7,403,614,417.31	18,856,017,200.47	43,996,981,203.65
II. Changes in equity during the reporting period										
(i) Total comprehensive income										
1. Capital contribution of shareholders										
2. Capital contributed by holders of other equity instruments										
3. Share-based payments recognised in owners' equity										
4. Others										
(ii) Profit distribution										
1. Transfer to surplus reserves										
2. Transfer to general risk reserves										
3. Profit distribution to owners										
4. Others										
(iii) Transfer within owners' equity										
1. Capital reserves converted to paid-in capital										
2. Surplus reserves converted to paid-in capital										
3. Less made up for surplus reserves										
4. Changes in the defined benefit plan transferred to retained earnings										
5. Other comprehensive income transferred to retained earnings										
6. Others										
(iv) Special reserves										
1. Withdrawal during the reporting period										
2. Transferred during the reporting period										
Net Other										
IV. Balance at 31 December 2022	1,775,000,000.00	6,210,000,000.00	10,180,862,484.74	294,755,668.00	7,245,162.56	337,026,693.13	36,438,813.80	8,519,865,410.08	27,332,542,592.31	55,796,694,745.86

Finance Manager

Chief Financial Officer

Legal Representative

Balance Sheet of Parent Company 31 December 2023

Prepared by: XMXYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2023/12/31	2022/12/31
Current assets:			
Cash and cash equivalents		1,136,465,500.13	3,011,809,124.39
Financial assets held-for-trading		1,627,805,888.28	1,192,107,418.47
Derivative financial assets			
Notes receivable			
Accounts receivable	11.1	40,628,148.12	44,152,066.06
Accounts receivable financing			
Advances to suppliers		1,510,317.99	3,838,312.86
Other receivables	11.2	19,007,434,400.17	18,309,006,948.71
Including: Interests receivable			
Dividend receivable		40,261,587.04	9,293,182.85
Inventories			
Contract assets			
Assets classified as held for sale			
Non-current assets maturing within one year			
Other current assets		3,735,715.96	5,915,166.30
Total current assets		21,817,579,970.65	22,566,829,036.79
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	11.3	28,055,589,172.13	21,895,269,234.37
Other equity instrument investment			
Other non-current financial assets		6,806,598,408.17	11,484,320,940.43
Investment properties		1,374,064,166.93	1,375,994,213.94
Fixed assets		71,310,862.76	110,832,830.62
Construction in progress			8,999,054.25
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		41,153,079.07	56,734,251.83
Development expenditures			
Goodwill			
Long-term deferred expenses		63,470,893.39	68,436,015.49
Deferred tax assets		222,101,510.04	
Other non-current assets		9,978,010.42	4,807,804.73
Total non-current assets		36,644,266,102.91	35,005,394,345.66
Total non-current assets		58,461,846,073.56	57,572,223,382.45

Legal Representative:

利张
印水

Chief Financial Officer:

王剑利

Finance Manager:

蔡圣

Balance Sheet of Parent Company (Cont.)

31 December 2023

Prepared by: XMXYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2023/12/31	2022/12/31
Current liabilities:			
Short-term borrowings		6,576,145,277.78	6,767,334,583.35
Financial liabilities held-for-			
Derivative financial liabilities			
Notes payable			
Accounts payable		85,722,655.15	142,019,496.00
Receipts in advance		3,442,626.03	3,540,911.50
Contract liabilities		277,236.31	
Employee benefits payable		28,850,229.36	33,442,211.45
Taxes payable		5,009,437.71	5,267,994.23
Other payables		1,234,106,618.52	2,609,388,268.58
Including: Interests payables			
Dividend payables		105,489,277.07	80,398,566.26
Liabilities classified as held for			
Non-current liabilities maturing within one year		8,177,386,997.26	7,896,473,982.47
Other current liabilities		5,549,174,726.77	6,060,453,698.67
Total current liabilities		21,660,115,804.89	23,517,921,146.25
Non-current liabilities:			
Long-term borrowings		10,359,250,000.00	13,737,750,000.00
Bonds payable		8,512,158,725.65	5,273,979,756.24
Including: Preference share			
Perpetual debt			
Lease liabilities			
Long-term payables			
Long-term employee benefits			
Estimated liabilities			
Deferred income		4,691,832.95	4,986,136.23
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		18,876,100,558.60	19,016,715,892.47
Total liabilities		40,536,216,363.49	42,534,637,038.72
Owners' equity:			
Paid-in capital		1,775,908,300.00	1,775,908,300.00
Other equity instruments		8,216,700,000.00	6,210,000,000.00
Including: Preference shares			
Perpetual debt		8,216,700,000.00	6,210,000,000.00
Capital reserves		9,228,532,117.99	8,043,115,108.93
Less: Treasury stock			
Other comprehensive income		-344,818,746.01	6,668,515.06
Special reserves			
Surplus reserves		421,532,368.00	341,956,922.04
General risk reserves			
Retained earnings		-1,372,224,329.91	-1,340,062,502.30
Total owners' equity		17,925,629,710.07	15,037,586,343.73
Total liabilities and owners' equity		58,461,846,073.56	57,572,223,382.45

Legal Representative:

利张
印水
33020110011012

Chief Financial Officer:

王剑荣

Finance Manager:

蔡圣

Income Statement of Parent Company
For the year ended 31 December 2023

Prepared by: XMXYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2023	2022
I. Revenue	11.4	220,046,000.02	122,804,984.04
Less: Costs of sales	11.4	64,777,073.22	38,346,743.29
Taxes and surcharges		7,785,755.85	6,910,064.26
Selling and distribution expenses		246,196.49	312,831.34
Administrative expenses		193,951,219.91	192,892,556.46
Research and development expenses			
Finance costs		856,711,080.98	753,653,392.37
Including: Interest expense		1,715,845,311.26	1,690,177,015.52
Interest income		904,291,011.97	948,835,208.08
Add: Other income		5,567,138.03	7,180,592.53
Investment income/(losses)	11.5	1,204,985,060.92	1,621,164,157.74
Including: Investment income from associates and joint ventures		104,629,276.29	22,317,086.07
Gains/(losses) from derecognition of financial assets measured at amortised cost			
Income/(losses) from net exposure hedging			
Gains/(losses) from changes in fair values		375,873,028.71	253,065,108.02
Credit impairment losses		-3,583,940.46	-895,936.52
Asset impairment losses		-101,516,010.00	
Gains/(losses) from disposal of assets		-16,460.50	
II. Profit/(loss) from operations		577,883,490.27	1,011,203,318.09
Add: Non-operating income		1,251,233.72	570,447.65
Less: Non-operating expenses		5,481,774.40	129,402,233.69
III. Profit/(loss) before tax		573,652,949.59	882,371,532.05
Less: Income tax expenses		-222,101,510.04	
IV. Net profit/(loss) for the year		795,754,459.63	882,371,532.05
Net profit/(loss) from continuing operation		795,754,459.63	882,371,532.05
Net profit/(loss) from discontinued operation			
V. Other comprehensive income for the year, after tax		-351,487,261.07	-11,726,807.18
(i) Other comprehensive income that will not be reclassified subsequently to profit or loss		-362,427,325.33	-3,236,116.54
1. Remeasurement gains			
2. Other comprehensive income using the equity method which will not be reclassified subsequently to profit and loss		-362,427,325.33	-3,236,116.54
3. Changes in fair value of other equity instrument investment			
4. Changes in fair value of the Company's own credit risks			
(ii) Other comprehensive income to be reclassified subsequently to profit or loss		10,940,064.26	-8,490,690.64
1. Other comprehensive income that can be reclassified to profit or loss in equity method		10,940,064.26	-8,490,690.64
2. Changes in fair value of other debt instrument investment			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Provision for credit impairment in other debt investments			
5. Reserve for cash flow hedges			
6. Exchange differences on translating foreign operations			
VI. Total comprehensive income for the year		444,267,198.56	870,644,724.87

Legal Representative:

利张
印水
35020150216122

Chief Financial Officer:

王剑莉

Finance Manager:

蔡圣

Statement of Cash Flows
For the year ended 31 December 2023

Prepared by: XMYG Corporation

Unit: Yuan Currency: RMB

Items	Note	2023	2022
I. Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		215,304,152.79	122,015,650.94
Cash received from tax refund			1,939.94
Other cash received relating to operating activities		44,612,298,387.31	7,792,701,616.97
Subtotal of cash inflows from operating activities		44,827,602,540.10	7,914,719,207.85
Cash payments for goods purchased and services received		9,869,346.13	10,774,498.90
Cash payments to and on behalf of employees		111,801,171.10	101,764,114.58
Payments for taxes		6,980,848.66	8,675,862.53
Other cash payments relating to operating activities		47,349,803,911.62	15,356,383,137.47
Subtotal of cash outflows from operating activities		47,478,455,277.51	15,477,597,613.48
Net cash flows from operating activities		-2,650,852,737.41	-7,562,878,405.63
II. Cash flows from investing activities			
Cash received from disposal and redemption of investments		169,056,335,503.76	111,798,977,990.67
Cash received from returns on investments		1,976,148,858.56	1,757,741,342.71
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		10,012,200.00	
Net cash received from disposals of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		171,042,496,562.32	113,556,719,333.38
Cash payments to acquire fixed, intangible and other long-term assets		100,998,126.37	482,395,220.40
Cash payments to acquire investments		169,667,053,151.32	106,690,607,556.74
Net cash payments to acquire subsidiaries and other business units			
Other cash payments relating to investing activities			1,346,158,708.33
Subtotal of cash outflows from investing activities		169,768,051,277.69	108,519,161,485.47
Net cash flows from investing activities		1,274,445,284.63	5,037,557,847.91
III. Cash flows from financing activities			
Cash received from capital contributions		4,213,500,000.00	4,830,000,000.00
Cash received from borrowings		32,947,448,000.00	36,976,800,000.00
Other cash received relating to financing activities			
Subtotal of cash inflows from financing activities		37,160,948,000.00	41,806,800,000.00
Cash repayments of debts		35,165,518,488.88	28,938,814,460.76
Cash payments for dividends, distribution of profit and interest expenses		2,442,085,328.11	2,274,727,007.51
Other cash payments relating to financing activities		52,280,354.49	5,453,466,496.59
Subtotal of cash outflows from financing activities		37,659,884,171.48	36,667,007,964.86
Net cash flows from financing activities		-498,936,171.48	5,139,792,035.14
IV. Effect of foreign exchange rate changes on cash and cash equivalents			1.18
V. Net increase / (decrease) in cash and cash equivalents		-1,875,343,624.26	2,614,471,478.60
Plus: Cash and cash equivalents at the beginning of the period		3,011,809,124.39	397,337,645.79
VI. Cash and cash equivalents at the end of the period		1,136,465,500.13	3,011,809,124.39

Legal Representative:



Chief Financial Officer:

王剑菊

Finance Manager:

蔡圣

Statement of Changes in Owners' Equity of Parent Company
For the year ended 31 December 2023

Prepared by: NAI XING Corporation

Unit: Yuan Currency: RMB

	2023						Total owners' equity
	Paid-in capital	Other equity instruments	Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	
		Preference shares	Perpetual capital securities	Others	Less: Treasury stock		
I. Balance at 31 December 2022	1,775,908,300.00		6,210,000,000.00		8,043,115,108.93	341,956,922.04	15,037,586,340.72
Add: Changes in accounting policies							
Correction of prior period errors							
Others							
II. Balance at 1 January 2023	1,775,908,300.00		6,210,000,000.00		8,043,115,108.93	341,956,922.04	15,037,586,340.72
III. Changes in equity during the reporting period							
(i) Total comprehensive income			2,006,700,000.00		1,185,417,009.66	79,575,445.96	2,888,643,356.34
(ii) Capital contributions or withdrawals by shareholders							
1. Ordinary shares contributed by shareholders			2,006,700,000.00		1,182,481,368.26	79,575,445.96	444,327,196.58
2. Capital contributed by holders of other equity instruments					1,192,459,293.94		3,189,181,388.26
3. Share-based payments recognized in owners' equity			2,006,700,000.00		-9,977,905.68		1,192,459,293.94
4. Others							1,996,722,094.32
(iii) Profit distribution							
1. Transfer to surplus reserves						79,575,445.96	-748,340,841.28
2. Transfer to general risk reserves						79,575,445.96	-79,575,445.96
3. Profit distribution to owners						0.00	0.00
4. Others						-748,340,841.28	-748,340,841.28
(iv) Transfer within owner's equity							
1. Capital reserves converted to paid-in capital							
2. Surplus reserves converted to paid-in capital							
3. Loss made up by surplus reserves							
4. Changes in the defined benefit plan transferred to retained earnings							
5. Other comprehensive income transferred to retained earnings							
6. Others							
(v) Special reserves							
1. Withdrawal during the reporting period							
2. Usage during the reporting period							
(vi) Others							
IV. Balance at 31 December 2023	1,775,908,300.00		8,216,700,000.00		9,238,532,117.99	421,531,368.00	17,925,639,716.07

Legal Representative:

Chief Financial Officer:

Finance Manager:

利张印水
35020180311177

王政勤

蔡圣

Statement of Changes in Owners' Equity of Parent Company
For the year ended 31 December 2023

Items	2022										Unit: Yuan		Current RMB	
	Paid-in capital	Preference shares	Other equity instruments	Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	Total owners' equity				
I. Balance at 31 December 2021	1,775,908,300.00		6,010,000,000.00	1,993,362,895.98		18,352,322.24		251,719,768.83	-1,325,862,347.03	8,745,523,650.02				
II. Changes in equity during the reporting period														
(i) Total comprehensive income			6,000,000,000.00	1,993,362,895.98		16,955,322.24		251,719,768.83	-1,325,862,347.03	8,745,523,650.02				
(ii) Capital contributions or withdrawal by owners			180,000,000.00	6,049,752,502.95		-11,726,807.18		88,237,153.21	-14,200,185.26	6,232,664,493.71				
1. Ordinary shares contributed by shareholders			180,000,000.00	6,114,359,806.90		-11,726,807.18			882,371,532.05	870,644,724.87				
2. Capital contributed by holders of other equity instruments				6,132,959,806.90						6,294,359,806.90				
3. Share-based payments recognised in owners' equity			180,000,000.00	-18,600,000.00						6,112,959,806.90				
4. Others										161,400,000.00				
(ii) Profit distribution														
1. Transfer to surplus reserves								88,237,153.21	-898,265,818.80	-810,029,665.59				
2. Transfer to general risk reserves								88,237,153.21	-88,237,153.21					
3. Profit distribution to owners								0.00	0.00	0.00				
4. Others									-810,029,665.59	-810,029,665.59				
(iv) Transfer within owners' equity														
1. Capital reserves converted to paid-in capital														
2. Surplus reserves converted to paid-in capital														
3. Loss made up by surplus reserves														
4. Changes in the defined benefit plan transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(v) Special reserve														
1. Withdrawal during the reporting period														
2. Usage during the reporting period														
(vi) Others														
IV. Balance at 31 December 2022	1,775,908,300.00		6,210,000,000.00	8,043,115,108.93		6,648,515.06		341,956,922.04	-1,240,062,502.30	15,037,686,343.71				

Legal Representative

Chief Financial Officer

Finance Manager

蔡全

王会莉

利张印水

XMXYG Corporation

Notes to the Financial Statements

For the year ended 31 December 2023

(All amounts are expressed in Renminbi Yuan("RMB")unless otherwise stated)

1. BASIC INFORMATION ABOUT THE COMPANY

XMXYG Corporation (hereinafter referred to as "the Company", "the Group") was established as limited liability company with the approval of "Reply on the Establishment of XMXYG Corporation" (Xia Fu [1995] Zong No. 230) by Xiamen People's Government. The Company was registered with Xiamen Administration for Industry and Commerce, and registered capital of RMB 138 million.

As of 31 December 2023, the registered capital of the Company is 1,775.9083 million. The unified social credit code of the Company is 9135020026015919XW. The Company's operational venue is Unit 1, 10F, Building A, XMXYG CORP. Building, No. 81 Xiangyu Road, Xiamen, China. The legal representative of the Company is Shuli Zhang.

The operating period of the Company is from 28 November 1995 to 27 November 2035.

The Company's principal operating activities are: operation and management state-owned assets within the scope of authorization; exercising investor rights on the state-owned assets of the invested enterprise and shareholder rights on the state-owned equity of the joint stock company limited by authorization; in accordance with the industrial development policy formulated by the municipal government, implementation of asset reorganization through transfers, mergers and acquisitions, optimization of capital allocation, and realization of the appreciation of state-owned assets; engagement in property rights transaction agency business; establishment of financial companies and leasing companies in accordance with relevant laws and regulations of the country; engagement in industrial investment; real estate development and operation, management, and land integration development and transfer of use rights; business information consulting services, exhibitions, conference services, real estate leasing services; e-commerce services, e-commerce platform construction; wholesale of gold, silver and products; loading and unloading and handling; other warehousing industries (excluding projects that require permission for approval); domestic freight forwarding; other unspecified transportation agency business (excluding items requiring approval); other unspecified retail industry (excluding items requiring approval); nickel-cobalt smelting; non-ferrous metal alloy manufacturing; non-ferrous metal casting; leisure and fitness activities (excluding high-risk sports events).

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation

Based on going concern, according to actually occurred transactions and events, the Company prepares its financial statements in accordance with the Accounting Standards for Business

Enterprises – Basic standards and concrete accounting standards, Accounting Standards for Business Enterprises – Application Guidelines, Accounting Standards for Business Enterprises – Interpretations and other relevant provisions (collectively known as “Accounting Standards for Business Enterprises, issued by Ministry of Finance of PRC”).

2.2 Going Concern

The Company has assessed its ability to continually operate for the next twelve months from the end of the reporting period, and no any matters that may result in doubt on its ability as a going concern were noted. Therefore, it is reasonable for the Company to prepare financial statements on the going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The following significant accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. Businesses not mentioned are complied with relevant accounting policies of the Accounting Standards for Business Enterprises.

3.1 Statement of Compliance with the Accounting Standards for Business Enterprises

The Company prepares its financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises, truly and completely reflecting the Company’s financial position as at 31 December 2023, and its operating results, changes in shareholders’ equity, cash flows and other related information for the year then ended.

3.2 Accounting Period

The accounting year of the Company is from 1 January to 31 December in calendar year.

3.3 Operating Cycle

The normal operating cycle of the Company is twelve months.

3.4 Functional Currency

The Company takes Renminbi Yuan (“RMB”) as the functional currency.

The Company’s overseas subsidiaries choose the currency of the primary economic environment in which the subsidiaries operate as the functional currency.

3.5 Accounting Treatment of Business Combinations under and not under Common Control

(a) Business combinations under common control

The assets and liabilities that the Company obtains in a business combination under common control shall be measured at their carrying amount of the acquired entity at the combination date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired party based on the principal of

materiality. As for the difference between the carrying amount of the net assets obtained by the acquiring entity and the carrying amount of the consideration paid by it, the capital reserve (capital premium or share premium) shall be adjusted. If the capital reserve (capital premium or share premium) is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

For the accounting treatment of business combination under common control by step acquisitions, please refer to Note 3.6.

(b) Business combinations not under common control

The assets and liabilities that the Company obtains in a business combination not under common control shall be measured at their fair value at the acquisition date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired entity based on the principle of materiality. The acquiring entity shall recognise the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquired entity as goodwill. The acquiring entity shall, pursuant to the following provisions, treat the negative balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquired entity:

- (i) It shall review the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities it obtains from the acquired entity as well as the combination costs;
- (ii) If, after the review, the combination costs are still less than the fair value of the identifiable net assets it obtains from the acquired entity, the balance shall be recognised in profit or loss of the reporting period.

For the accounting treatment of business combination under the same control by step acquisitions, please refer to Note 3.6.

(c) Treatment of business combination related costs

The intermediary costs such as audit, legal services and valuation consulting and other related management costs that are directly attributable to the business combination shall be charged in profit or loss in the period in which they are incurred. The costs to issue equity or debt securities for the consideration of business combination shall be recorded as a part of the value of the respect equity or debt securities upon initial recognition.

3.6 Judgment of Control and Method of Preparing the Consolidated Financial Statements

(a) Judgment of control and consolidation decision

Control exists when the Company has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. The definition of control contains three elements: - power over the investee; exposure, or rights to variable returns from the Company's involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. The Company controls an investee if and only if the Company has all the

above three elements.

The scope of consolidated financial statements shall be determined on the basis of control. It not only includes subsidiaries determined based on voting rights (or similar) or together with other arrangement, but also structured entities under one or more contractual arrangements.

Subsidiaries are the entities that controlled by the Company (including enterprise, a divisible part of the investee, and structured entity controlled by the enterprise). A structured entity (sometimes called a Special Purpose Entity) is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

(b) Method of preparing the consolidated financial statements

The consolidated financial statements shall be prepared by the Company based on the financial statements of the Company and its subsidiaries, and using other related information.

When preparing consolidated financial statements, the Company shall consider the entire group as an accounting entity, adopt uniform accounting policies and apply the requirements of Accounting Standard for Business Enterprises related to recognition, measurement and presentation. The consolidated financial statements shall reflect the overall financial position, operating results and cash flows of the group.

- (i) Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of the subsidiaries.
- (ii) The carrying amount of the parent's investment in each subsidiary is eliminated (off-set) against the parent's portion of equity of each subsidiary.
- (iii) Eliminate the impact of intragroup transactions between the Company and the subsidiaries or between subsidiaries, and when intragroup transactions indicate an impairment of related assets, the losses shall be recognised in full.
- (iv) Make adjustments to special transactions from the perspective of the group.

(c) Method of preparation of the consolidated financial statements when subsidiaries are acquired or disposed in the reporting period

- (i) Acquisition of subsidiaries or business

Subsidiaries or business acquired through business combination under common control

When preparing consolidated statements of financial position, the opening balance of the consolidated balance sheet shall be adjusted. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Incomes, expenses and profits of the subsidiary incurred from the beginning of the reporting period to the end of the reporting period shall be included into the consolidated statement of profit or loss. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Cash flows from the beginning of the reporting period to the end of the reporting period shall be included into the consolidated statement of cash flows. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Subsidiaries or business acquired through business combination not under common control

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits of the subsidiary incurred from the acquisition date to the end of the reporting period shall be included into the consolidated statement of profit or loss.

Cash flows from the acquisition date to the end of the reporting period shall be included into the consolidated statement of cash flows.

(ii) Disposal of subsidiaries or business

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits incurred from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of profit or loss.

Cash flows from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of cash flows.

(d) Special consideration in consolidation elimination

(i) Long-term equity investment held by the subsidiaries to the Company shall be recognised as treasury stock of the Company, which is offset with the owner's equity, represented as "treasury stock" under "owner's equity" in the consolidated statement of financial position.

Long-term equity investment held by subsidiaries between each other is accounted for taking long-term equity investment held by the Company to its subsidiaries as reference. That is, the long-term equity investment is eliminated (off-set) against the portion of the corresponding subsidiary's equity.

(ii) Due to not belonging to paid-in capital (or share capital) and capital reserve, and being different from retained earnings and undistributed profit, "Specific reserves" and "General risk provision" shall be recovered based on the proportion attributable to owners of the parent company after long-term equity investment to the subsidiaries is eliminated with the subsidiaries' equity.

(iii) If temporary timing difference between the book value of the assets and liabilities in the consolidated statement of financial position and their tax basis is generated as a result of elimination of unrealized inter-company transaction profit or loss, deferred tax assets of deferred tax liabilities shall be recognised, and income tax expense in the consolidated statement of profit or loss shall be adjusted simultaneously, excluding deferred taxes related to transactions or events directly recognised in owner's equity or business combination.

(iv) Unrealised inter-company transactions profit or loss generated from the Company selling

assets to its subsidiaries shall be eliminated against “net profit attributed to the owners of the parent company” in full. Unrealized inter-company transactions profit or loss generated from the subsidiaries selling assets to the Company shall be eliminated between “net profit attributed to the owners of the parent company” and “non-controlling interests” pursuant to the proportion of the Company in the related subsidiaries. Unrealized inter-company transactions profit or loss generated from the assets sales between the subsidiaries shall be eliminated between “net profit attributed to the owners of the parent company” and “non-controlling interests” pursuant to the proportion of the Company in the selling subsidiaries.

(v) If loss attributed to the minority shareholders of a subsidiary in current period is more than the proportion of non-controlling interest in this subsidiary at the beginning of the period, non-controlling interest is still to be written down.

(e) Accounting for Special Transactions

(i) Purchasing of non-controlling interests

Where, the Company purchases non-controlling interests of its subsidiary, in the separate financial statements of the Company, the cost of the long-term equity investment obtained in purchasing non-controlling interests is measured at the fair value of the consideration paid. In the consolidated financial statements, difference between the cost of the long-term equity investment newly obtained in purchasing non-controlling interests and share of the subsidiary's net assets from the acquisition date or combination date continuingly calculated pursuant to the newly acquired shareholding proportion shall be adjusted into capital reserve (capital premium or share premium). If capital reserve is not enough to be offset, surplus reserve and undistributed profit shall be offset in turn.

(ii) Gaining control over the subsidiary in stages through multiple transactions

Business combination under common control in stages through multiple transactions

On the combination date, in the separate financial statement, initial cost of the long-term equity investment is determined according to the share of carrying amount of the acquiree's net assets in the ultimate controlling entity's consolidated financial statements after combination. The difference between the initial cost of the long-term equity investment and the carrying amount of the long-term investment held prior of control plus book value of additional consideration paid at acquisition date is adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against surplus reserve and undistributed profit in turn.

In the consolidated financial statements, the assets and liabilities acquired during the combination should be recognized at their carrying amount in the ultimate controlling entity's consolidated financial statements on the combination date unless any adjustment is resulted from the difference in accounting policies. The difference between the carrying amount of the investment held prior of control plus book value of additional consideration paid on the acquisition date and the net assets acquired through the combination is adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against retained earnings.

If the acquiring entity holds equity investment in the acquired entity prior to the combination date and the equity investment is accounted for under the equity method, related profit or loss, other comprehensive income and other changes in equity which have been recognised during the period from the later of the date of the Company obtaining original equity interest and the date of both the acquirer and the acquiree under common control of the same ultimate controlling party to the combination date should be offset against the opening balance of retained earnings at the comparative financial statements period respectively.

Business combination not under common control in stages through multiple transactions

On the consolidation date, in the separate financial statements, the initial cost of long-term equity investment is determined according to the carrying amount of the original long-term investment plus the cost of new investment.

In the consolidated financial statements, the equity interest of the acquired entity held prior to the acquisition date shall be re-measured at its fair value on the acquisition date. Difference between the fair value of the equity interest and its book value is recognised as investment income. The other comprehensive income related to the equity interest held prior to the acquisition date calculated through equity method, should be transferred to current investment income of the acquisition period, excluding other comprehensive income resulted from the remeasurement of the net assets or net liabilities under defined benefit plan. The Company shall disclose acquisition-date fair value of the equity interest held prior to the acquisition date, and the related gains or losses due to the remeasurement based on fair value.

(iii) Disposal of investment in subsidiaries without a loss of control

For partial disposal of the long-term equity investment in the subsidiaries without a loss of control, when the Company prepares consolidated financial statements, difference between consideration received from the disposal and the corresponding share of subsidiary's net assets cumulatively calculated from the acquisition date or combination date shall be adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be offset against retained earnings.

(iv) Disposal of investment in subsidiaries with a loss of control

Disposal through one transaction

If the Company loses control in an investee through partial disposal of the equity investment, when the consolidated financial statements are prepared, the retained equity interest should be re-measured at fair value at the date of loss of control. The difference between i) the fair value of consideration received from the disposal plus non-controlling interest retained; ii) share of the former subsidiary's net assets cumulatively calculated from the acquisition date or combination date according to the original proportion of equity interest, shall be recognised in current investment income when control is lost.

Moreover, other comprehensive income and other changes in equity related to the equity investment in the former subsidiary shall be transferred into current investment income when control is lost, excluding other comprehensive income resulted from the remeasurement of the movement of net assets or net liabilities under defined benefit plan.

Disposal in stages

In the consolidated financial statements, whether the transactions should be accounted for as “a single transaction” needs to be decided firstly.

If the disposal in stages should not be classified as “a single transaction”, in the separate financial statements, for transactions prior of the date of loss of control, carrying amount of each disposal of long-term equity investment need to be recognized, and the difference between consideration received and the carrying amount of long-term equity investment corresponding to the equity interest disposed should be recognized in current investment income; in the consolidated financial statements, the disposal transaction should be accounted for according to related policy in “Disposal of long-term equity investment in subsidiaries without a loss of control”.

If the disposal in stages should be classified as “a single transaction”, these transactions should be accounted for as a single transaction of disposal of subsidiary resulting in loss of control. In the separate financial statements, for each transaction prior of the date of loss of control, difference between consideration received and the carrying amount of long-term equity investment corresponding to the equity interest disposed should be recognised as other comprehensive income firstly, and transferred to profit or loss as a whole when control is lost; in the consolidated financial statements, for each transaction prior of the date of loss of control, difference between consideration received and proportion of the subsidiary’s net assets corresponding to the equity interest disposed should be recognised in profit or loss as a whole when control is lost.

In considering of the terms and conditions of the transactions as well as their economic impact, the presence of one or more of the following indicators may lead to account for multiple transactions as a single transaction:

- The transactions are entered into simultaneously or in contemplation of one another.
- The transactions form a single transaction designed to achieve an overall commercial effect.
- The occurrence of one transaction depends on the occurrence of at least one other transaction.
- One transaction, when considered on its own merits, does not make economic sense, but when considered together with the other transaction or transactions would be considered economically justifiable.

(v) Diluting equity share of parent company in its subsidiaries due to additional capital injection by the subsidiaries’ minority shareholders.

Other shareholders (minority shareholders) of the subsidiaries inject additional capital in the subsidiaries, which resulted in the dilution of equity interest of parent company in these subsidiaries. In the consolidated financial statements, difference between share of the corresponding subsidiaries’ net assets calculated based on the parent’s equity interest before and after the capital injection shall be adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be

adjusted against retained earnings.

3.7 Classification of Joint Arrangements and Accounting for Joint Operation

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangement of the Company is classified as either a joint operation or a joint venture.

(a) Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company shall recognise the following items in relation to shared interest in a joint operation, and account for them in accordance with relevant accounting standards of the Accounting Standards for Business Enterprises:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

(b) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company accounts for its investment in the joint venture by applying the equity method of long-term equity investment.

3.8 Cash and Cash Equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term (generally within three months of maturity at acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

(a) Determination of the exchange rate for foreign currency transactions

At the time of initial recognition of a foreign currency transaction, the amount in the foreign currency shall be translated into the amount in the functional currency at the spot exchange rate of the transaction date, or at an exchange rate which is determined through a systematic and reasonable method and is approximate to the spot exchange rate of the transaction date (hereinafter referred to as the approximate exchange rate).

(b) Translation of monetary items denominated in foreign currency on the balance sheet

date

The foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The balance of exchange arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or prior to the balance sheet date shall be recorded into the profits and losses at the current period. The foreign currency non-monetary items measured at the historical cost shall still be translated at the spot exchange rate on the transaction date; for the foreign currency non-monetary items restated to a fair value measurement, shall be translated into the at the spot exchange rate at the date when the fair value was determined, the difference between the restated functional currency amount and the original functional currency amount shall be recorded into the profits and losses at the current period.

(c) Translation of foreign currency financial statements

Before translating the financial statements of foreign operations, the accounting period and accounting policy shall be adjusted so as to conform to the Company. The adjusted foreign operation financial statements denominated in foreign currency (other than functional currency) shall be translated in accordance with the following method:

- (i) The asset and liability items in the statement of financial position shall be translated at the spot exchange rates at the date of that statement of financial position. The owners' equity items except undistributed profit shall be translated at the spot exchange rates when they are incurred.
- (ii) The income and expense items in the statement of profit and other comprehensive income shall be translated at the spot exchange rates or approximate exchange rate at the date of transaction.
- (iii) Foreign currency cash flows and cash flows of foreign subsidiaries shall be translated at the spot exchange rate or approximate exchange rate when the cash flows are incurred. The effect of exchange rate changes on cash is presented separately in the statement of cash flows as an adjustment item.
- (iv) The differences arising from the translation of foreign currency financial statements shall be presented separately as "other comprehensive income" under the owners' equity items of the consolidated statement of financial position.

When disposing a foreign operation involving loss of control, the cumulative amount of the exchange differences relating to that foreign operation recognised under other comprehensive income in the statement of financial position, shall be reclassified into current profit or loss according to the proportion disposed.

3.10 Financial Instruments

Financial instrument is any contract which gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Recognition and derecognition of financial instrument

A financial asset or a financial liability should be recognised in the statement of financial

position when, and only when, an entity becomes party to the contractual provisions of the instrument.

A financial asset can only be derecognised when meets one of the following conditions:

- (i) The rights to the contractual cash flows from a financial asset expire
- (ii) The financial asset has been transferred and meets one of the following derecognition conditions:

Financial liabilities (or part thereof) are derecognised only when the liability is extinguished—i.e., when the obligation specified in the contract is discharged or cancelled or expires. An exchange of the Company (borrower) and lender of debt instruments that carry significantly different terms or a substantial modification of the terms of an existing liability are both accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Purchase or sale of financial assets in a regular-way shall be recognised and derecognised using trade date accounting. A regular-way purchase or sale of financial assets is a transaction under a contract whose terms require delivery of the asset within the time frame established generally by regulations or convention in the market place concerned. Trade date is the date at which the entity commits itself to purchase or sell an asset.

(b) Classification and measurement of financial assets

At initial recognition, the Company classified its financial asset based on both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset: financial asset at amortised cost, financial asset at fair value through profit or loss (FVTPL) and financial asset at fair value through other comprehensive income (FVTOCI). Reclassification of financial assets is permitted if, and only if, the objective of the entity's business model for managing those financial assets changes. In this circumstance, all affected financial assets shall be reclassified on the first day of the first reporting period after the changes in business model; otherwise the financial assets cannot be reclassified after initial recognition.

Financial assets shall be measured at initial recognition at fair value. For financial assets measured at FVTPL, transaction costs are recognised in current profit or loss. For financial assets not measured at FVTPL, transaction costs should be included in the initial measurement. Notes receivable or accounts receivable that arise from sales of goods or rendering of services are initially measured at the transaction price defined in the accounting standard of revenue where the transaction does not include a significant financing component.

Subsequent measurement of financial assets will be based on their categories:

- (i) Financial asset at amortised cost

The financial asset at amortised cost category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. These financial assets are subsequently

measured at amortised cost by adopting the effective interest rate method. Any gain or loss arising from derecognition according to the amortization under effective interest rate method or impairment are recognised in current profit or loss.

(ii) Financial asset at fair value through other comprehensive income (FVTOCI)

The financial asset at FVTOCI category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principle and interest on the principal amount outstanding. All changes in fair value are recognised in other comprehensive income except for gain or loss arising from impairment or exchange differences, which should be recognised in current profit or loss. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to current profit or loss. However, interest income calculated based on the effective interest rate is included in current profit or loss.

The Company make an irrevocable decision to designate part of non-trading equity instrument investments as measured through FVTOCI. All changes in fair value are recognised in other comprehensive income except for dividend income recognised in current profit or loss. At derecognition, cumulative gain or loss are reclassified to retained earnings.

(iii) Financial asset at fair value through profit or loss (FVTPL)

Financial asset except for above mentioned financial asset at amortised cost or financial asset at fair value through other comprehensive income (FVTOCI), should be classified as financial asset at fair value through profit or loss (FVTPL). These financial assets should be subsequently measured at fair value. All the changes in fair value are included in current profit or loss.

(c) Classification and measurement of financial liabilities

The Company classified the financial liabilities as financial liabilities at fair value through profit or loss (FVTPL), loan commitments at a below-market interest rate and financial guarantee contracts and financial asset at amortised cost.

Subsequent measurement of financial assets will be based on the classification:

(i) Financial liabilities at fair value through profit or loss (FVTPL)

Held-for-trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at FVTPL are classified as financial liabilities at FVTP. After initial recognition, any gain or loss (including interest expense) are recognised in current profit or loss except for those hedge accounting is applied. For financial liability that is designated as at FVTPL, changes in the fair value of the financial liability that is attributable to changes in the own credit risk of the issuer shall be presented in other comprehensive income. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to retained earnings.

(ii) Loan commitments and financial guarantee contracts

Loan commitment is a commitment by the Company to provide a loan to customer under

specified contract terms. The provision of impairment losses of loan commitments shall be recognised based on expected credit losses model.

Financial guarantee contract is a contract that requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts liability shall be subsequently measured at the higher of: The amount of the loss allowance recognised according to the impairment principles of financial instruments; and the amount initially recognised less the cumulative amount of income recognised in accordance with the revenue principles.

(iii) Financial liabilities at amortised cost

After initial recognition, the Company measured other financial liabilities at amortised cost using the effective interest method.

Except for special situation, financial liabilities and equity instrument should be classified in accordance with the following principles:

(i) If the Company has no unconditional right to avoid delivering cash or another financial instrument to fulfill a contractual obligation, this contractual obligation meet the definition of financial liabilities. Some financial instruments do not comprise terms and conditions related to obligations of delivering cash or another financial instrument explicitly, they may include contractual obligation indirectly through other terms and conditions.

(ii) If a financial instrument must or may be settled in the Company's own equity instruments, it should be considered that the Company's own equity instruments are alternatives of cash or another financial instrument, or to entitle the holder of the equity instruments to sharing the remaining rights over the net assets of the issuer. If the former is the case, the instrument is a liability of the issuer; otherwise, it is an equity instrument of the issuer. Under some circumstances, it is regulated in the contract that the financial instrument must or may be settled in the Company's own equity instruments, where, amount of contractual rights and obligations are calculated by multiplying the number of the equity instruments to be available or delivered by its fair value upon settlement. Such contracts shall be classified as financial liabilities, regardless that the amount of contractual rights and liabilities is fixed, or fluctuate totally or partially with variables other than market price of the entity's own equity instruments (such as interest rate, price of some kind of goods or some kind of financial instrument).

(d) Derivatives and embedded derivatives

At initial recognition, derivatives shall be measured at fair value at the date of derivative contracts are signed and subsequently measured at fair value. The derivative with a positive fair value shall be recognized as an asset, and with a negative fair value shall be recognised as a liability.

Gains or losses arising from the changes in fair value of derivatives shall be recognised directly into current profit or loss except for the effective portion of cash flow hedges which shall be recognised in other comprehensive income and reclassified into current profit or loss when the hedged items affect profit or loss.

An embedded derivative is a component of a hybrid contract with a financial asset as a host, the Company shall apply the requirements of financial asset classification to the entire hybrid contract. If a host that is not a financial asset and the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, the embedded derivative shall be separated from the hybrid instrument and accounted for as a separate derivative instrument. If the Company is unable to measure the fair value of the embedded derivative at the acquisition date or subsequently at the balance sheet date, the entire hybrid contract is designated as financial assets or financial liabilities at fair value through profit or loss.

(e) Impairment of financial instrument

The Company shall recognise a loss allowance based on expected credit losses on a financial asset that is measured at amortised cost, a debt investment at fair value through other comprehensive income, a contract asset, a lease receivable, a loan commitment and a financial guarantee contract.

(i) Measurement of expected credit losses

Expected credit losses are the weighted average of credit losses of the financial instruments with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (ie all cash shortfalls), discounted at the original effective interest rate or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or the expected lifetime, if the expected life of a financial instrument is less than 12 months).

At each reporting date, the Company classifies financial instruments into three stages and makes provisions for expected credit losses accordingly. A financial instrument of which the credit risk has not significantly increased since initial recognition is at stage 1. The Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired is at stage 2. The Company shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses. A financial instrument is considered to be credit-impaired as at the end of the reporting period is at stage 3. The Company shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses.

The Company may assume that the credit risk on a financial instrument has not increased

significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date and measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For financial instrument at stage 1, stage 2 and those have low credit risk, the interest revenue shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset (ie, impairment loss not been deducted). For financial instrument at stage 3, interest revenue shall be calculated by applying the effective interest rate to the amortised cost after deducting of impairment loss.

For notes receivable, accounts receivable and accounts receivable financing, no matter it contains a significant financing component or not, the Company shall measure the loss allowance at an amount equal to the lifetime expected credit losses.

Receivables/Contract assets

For the notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables which are demonstrated to be impaired by any objective evidence, or applicable for individual assessment, the Company shall individually assess for impairment and recognise the loss allowance for expected credit losses. If the Company determines that no objective evidence of impairment exists for notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables, or the expected credit loss of a single financial asset cannot be assessed at reasonable cost, such notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables shall be divided into several groups with similar credit risk characteristics and collectively calculated the expected credit loss. The determination basis of groups is as following:

Determination basis of notes receivable is as following:

Group 1: Commercial acceptance bills

Group 2: Bank acceptance bills

For each group, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of accounts receivable is as following:

Group 1: Accounts receivables from comprehensive logistics and development and operation of logistics platform (park)

Group 2: Accounts receivables from Commodities, procurement, supply and others

Group 3: Accounts receivables due from related parties, letters of credit and receivables that have conclusive evidence that there is no impairment indication (such as rent receivables and property service fees with sufficient security deposits, etc.)

For each group, the Company calculates expected credit losses through preparing an aging analysis schedule with the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future

economic situation.

Determination basis of other receivables is as following:

Group 1: Other receivables from comprehensive logistics and development and operation of logistics platform (park) and others

Group 2: Other receivables from Commodities, procurement, supply and others

Group 3: Receivables from related party transactions, staff petty cash, exporting tax rebate receivable, security deposit, deposits, and receivables that have conclusive evidence that there is no impairment indication

For each group, the Company calculates expected credit losses through default exposure and the 12-months or lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of accounts receivable financing is as following:

Group 1: Accounts receivable, commercial acceptance bills

Group 2: Bank acceptance bills

For each group, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of contract assets is as following:

Group 1: Contract assets related to shipbuilding

Group 2: Contract assets related to comprehensive logistics

Group 3: Contract assets related to entrusted construction projects

For each group, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of long-term receivables financing is as following:

The Company's long-term receivables include lease receivables, receivables by installments for sales of commodities etc.

For receivables by installments for sales of commodities, receivables for terminal cooperation projects, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

The aging calculation methods for the aging groups are as following:

For accounts receivable by credit risk characteristics, the Company calculates expected credit losses through the aging from the date of transaction to the balance sheet date, taking reference to historical experience for credit losses and considering current condition and expectation for

the future economic situation.

Debt investment and other debt investment

For debt investment and other debt investment, the Company shall calculate the expected credit loss through the default exposure and the 12-month or lifetime expected credit loss rate based on the nature of the investment, counterparty and the type of risk exposure.

(ii) Low credit risk

If the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

(iii) Significant increase in credit risk

The Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition, using the change in the risk of a default occurring over the expected life of the financial instrument, through the comparison of the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

To make that assessment, the Company shall consider reasonable and supportable information, that is available without undue cost or effort, and that is indicative of significant increases in credit risk since initial recognition, including forward-looking information.

Depending on the nature of the financial instruments, the Company shall assess whether the credit risk has increased significantly since initial recognition on an individual financial instrument or a group of financial instruments. When assessed based on a group of financial instruments, the Company can group financial instruments on the basis of shared credit risk characteristics, for example, past due information and credit risk rating.

(iv) Credit-impaired financial asset

The Company shall assess at each reporting date whether the credit impairment has occurred for financial asset at amortised cost and debt investment at fair value through other comprehensive income. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidences that a financial asset is credit-impaired include observable data about the following events:

Significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(v) Presentation of impairment of expected credit loss

In order to reflect the changes of credit risk of financial instrument since initial recognition, the Company shall at each reporting date remeasure the expected credit loss and recognise in profit or loss, as an impairment gain or loss, the amount of expected credit losses addition (or reversal). For financial asset at amortised cost, the loss allowance shall reduce the carrying amount of the financial asset in the statement of financial position; for debt investment at fair value through other comprehensive income, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

(vi) Write-off

The Company shall directly reduce the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the contractual cash flow of a financial asset in its entirety or a portion thereof. Such write-off constitutes a derecognition of the financial asset. This circumstance usually occurs when the Company determines that the debtor has no assets or sources of income that could generate sufficient cash flow to repay the write-off amount.

Recovery of financial asset written off shall be recognised in profit or loss as reversal of impairment loss.

(f) Transfer of financial assets

Transfer of financial assets refers to following two situations:

- Transfers the contractual rights to receive the cash flows of the financial asset;
- Transfers the entire or a part of a financial asset and retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(i) Derecognition of transferred assets

If the Company transfers substantially all the risks and rewards of ownership of the financial asset, or neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset, the financial asset shall be derecognised.

Whether the Company has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company has not retained control.

The Company judges whether the transfer of financial asset qualifies for derecognition based on the substance of the transfer.

If the transfer of financial asset qualifies for derecognition in its entirety, the difference between the following shall be recognised in profit or loss:

- The carrying amount of transferred financial asset;

- The sum of consideration received and the part derecognised of the cumulative changes in fair value previously recognised in other comprehensive income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income in accordance with Article 18 of the *Accounting Standards for Business Enterprises - Recognition and Measurement of Financial Instruments*).

If the transferred asset is a part of a larger financial asset and the part transferred qualifies for derecognition, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised (For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised) and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. The difference between following two amounts shall be recognised in profit or loss:

- The carrying amount (measured at the date of derecognition) allocated to the part derecognised;
- The sum of the consideration received for the part derecognised and part derecognised of the cumulative changes in fair value previously recognised in other comprehensive income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income in accordance with Article 18 of the *Accounting Standards for Business Enterprises - Recognition and Measurement of Financial Instruments*).

(ii) Continuing involvement in transferred assets

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the Company shall continue to recognise the transferred asset to the extent of its continuing involvement and also recognise an associated liability.

The extent of the Company's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset

(iii) Continue to recognise the transferred assets

If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company shall continue to recognise the transferred asset in its entirety and the consideration received shall be recognised as a financial liability.

The financial asset and the associated financial liability shall not be offset. In subsequent accounting period, the Company shall continuously recognise any income (gain) arising from the transferred asset and any expense (loss) incurred on the associated liability.

(g) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset. When meets the following conditions, financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position:

The Company currently has a legally enforceable right to set off the recognised amounts; The Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the Company shall not offset the transferred asset and the associated liability.

(h) Determination of fair value of financial instruments

Determination of fair value of financial assets and financial liabilities please refer to Note 3.11.

3.11 Fair Value Measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company determines fair value of the related assets and liabilities based on market value in the principal market, or in the absence of a principal market, in the most advantageous market price for the related asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The principal market is the market in which transactions for an asset or liability take place with the greatest volume and frequency. The most advantageous market is the market which maximizes the value that could be received from selling the asset and minimizes the value which is needed to be paid in order to transfer a liability, considering the effect of transport costs and transaction costs both.

If the active market of the financial asset or financial liability exists, the Company shall measure the fair value using the quoted price in the active market. If the active market of the financial instrument is not available, the Company shall measure the fair value using valuation techniques.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

● Valuation techniques

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, including the market approach, the income approach and the cost approach. The Company shall use valuation techniques consistent with one or more of those approaches to measure fair value. If multiple valuation techniques are used to measure fair value, the results shall be evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

When using the valuation technique, the Company shall give the priority to relevant observable inputs. The unobservable inputs can only be used when relevant observable inputs is not available or practically would not be obtained. Observable inputs refer to the information which is available from market and reflects the assumptions that market participants would use when

pricing the asset or liability. Unobservable Inputs refer to the information which is not available from market and it has to be developed using the best information available in the circumstances from the assumptions that market participants would use when pricing the asset or liability.

● Fair value hierarchy

To Company establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to Level 1 inputs and second to the Level 2 inputs and the lowest priority to Level 3 inputs. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

As at each balance sheet date, the Company reassesses the assets and liabilities recognized in the financial statements that continue to be measured at fair value to determine whether there is a transition between fair value measurement levels.

3.12 Inventories

(a) Classification of inventories

Inventories are finished goods or products held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services, including raw materials, semi-finished goods, commodity stocks, consigned processing materials, finished goods, goods shipped in transit, consumptive biological assets, contract fulfillment costs, development cost, development products, low-value consumables and turnover material, etc.

(b) Measurement method of cost of inventories sold or used

The cost of raw materials, semi-finished goods, finished goods and consigned processing materials used or sold is determined on the weighted average or individual valuation method basis.

Inventories of real estate development are initially measured at actual cost. The actual cost of development products includes land transaction fee, infrastructure fee, construction and installation cost, borrowing costs incurred before the completion of development projects, and other related expenses incurred during the development process. When the development product is delivered, the actual cost is determined using the individual valuation method.

Such travel expenses and bidding fees incurred in securing a contract shall be included in the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained; otherwise shall be recognised in profit or loss.

(c) Inventory system

The perpetual inventory system is adopted. The inventories should be counted at least once a year, and surplus or losses of inventory stocktaking shall be included in current profit and loss.

(d) Recognition Criteria and Provision for impairment of inventory

Inventories are stated at the lower of cost and net realizable value. The excess of cost over net realizable value of the inventories is recognised as provision for impairment of inventory, and recognised in current profit or loss.

Net realizable value of the inventory should be determined on the basis of reliable evidence obtained, and factors such as purpose of holding the inventory and impact of post balance sheet event shall be considered.

(i) In normal operation process, finished goods, products and materials for direct sale, their net realizable values are determined at estimated selling prices less estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices. Net realizable value of materials held for sale shall be measured based on market price.

(ii) For materials in stock need to be processed, in the ordinary course of production and business, net realisable value is determined at the estimated selling price less the estimated costs of completion, the estimated selling expenses and relevant taxes. If the net realisable value of the finished products produced by such materials is higher than the cost, the materials shall be measured at cost; if a decline in the price of materials indicates that the cost of the finished products exceeds its net realisable value, the materials are measured at net realisable value and differences shall be recognised at the provision for impairment.

(iii) Provisions for inventory impairment are generally determined on an individual basis. For inventories with large quantity and low unit price, the provisions for inventory impairment are determined on a category basis.

(iv) If any factor rendering write-downs of the inventories has been eliminated at the reporting date, the amounts written down are recovered and reversed to the extent of the inventory impairment, which has been provided for. The reversal shall be included in profit or loss

(e) Amortisation method of low-value consumables and turnover material

Low-value consumables and turnover material: One-off writing off method is adopted

3.13 Contract Assets and Contract Liabilities

The Company shall present contract assets or contract liabilities in the statement of financial position, depending on the relationship between the Company's satisfying a performance obligation and the customer's payment. A contract asset shall be presented if the Company has the right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. A contract liability shall be presented if the Company has the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer.

Method of determination and accounting for expected credit loss for contract assets please refer

to Note 3.10.

Contract assets and contract liabilities shall be presented separately in the statement of financial position. The contract asset and contract liability for the same contract shall be presented on a net basis. A net balance shall be listed in the item of "Contract assets" or "Other non-current assets" according to its liquidity; a credit balance shall be listed in the item of "Contract liabilities" or "Other non-current liabilities" according to its liquidity. Contract assets and contract liabilities for different contracts cannot be offset.

3.14 Contract costs

Contract costs include costs to fulfill a contract and the costs to obtain a contract.

The Company shall recognise an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

- (i) the costs relate directly to a contract or to an anticipated contract, including: direct labour, direct materials, manufacturing costs (or similar costs), costs that are explicitly chargeable to the customer under the contract and other costs that are incurred only because an entity entered into the contract;
- (ii) the costs enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- (iii) the costs are expected to be recovered.

The incremental costs of obtaining a contract shall be recognised as an asset if the Company expects to recover them.

An asset related to contract costs shall be amortised on a systematic basis that is consistent with the revenue recognition of the goods or services to which the asset relates. The Company recognises the contract acquisition costs as an expense when incurred if the amortisation period of the asset that the Company otherwise would have recognised is one year or less.

The Company shall accrue the provision for impairment, recognise an impairment loss in profit or loss to the extent that the carrying amount of an asset related to the contract cost exceeds the difference of below two items, and further consider whether the estimated liability related to the onerous contract needs to be accrued:

- (i) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates; less
- (ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

The Company shall recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

Providing that the costs to fulfil a contract satisfy the requirement to be recognised as an asset,

the Company shall present them in the account "Inventory" if the contract has an original expected duration of one year (or a normal operating cycle) or less, or in the account "Other non-current assets" if the contract has an original expected duration of more than one year (or a normal operating cycle).

Providing that the costs to obtain a contract satisfy the requirement to be recognised as an asset, the Company shall present them in the account "Other current asset" if the contract has an original expected duration of one year (or a normal operating cycle) or less, or in the account "Other non-current assets" if the contract has an original expected duration of more than one year (or a normal operating cycle).

3.15 Long-term Equity Investments

Long-term equity investments refer to equity investments where an investor has control of, or significant influence over, an investee, as well as equity investments in joint ventures. Associates of the Company are those entities over which the Company has significant influence.

(a) Determination basis of joint control or significant influence over the investee

Joint control is the relevant agreed sharing of control over an arrangement, and the arranged relevant activity must be decided under unanimous consent of the parties sharing control. In assessing whether the Company has joint control of an arrangement, the Company shall assess first whether all the parties, or a group of the parties, control the arrangement. When all the parties, or a group of the parties, considered collectively, are able to direct the activities of the arrangement, the parties control the arrangement collectively. Then the Company shall assess whether decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. If two or more groups of the parties could control the arrangement collectively, it shall not be assessed as have joint control of the arrangement. When assessing the joint control, the protective rights are not considered.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. In determination of significant influence over an investee, the Company should consider not only the existing voting rights directly or indirectly held but also the effect of potential voting rights held by the Company and other entities that could be currently exercised or converted, including the effect of share warrants, share options and convertible corporate bonds that issued by the investee and could be converted in current period.

If the Company holds, directly or indirectly 20% or more but less than 50% of the voting power of the investee, it is presumed that the Company has significant influence of the investee, unless it can be clearly demonstrated that in such circumstance, the Company cannot participate in the decision-making in the production and operating of the investee.

(b) Determination of initial investment cost

(i) Long-term equity investments generated in business combinations

For a business combination involving enterprises under common control, if the Company makes payment in cash, transfers non-cash assets or bears liabilities as the consideration for the

business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For a business combination involving enterprises under common control, if the Company issues equity securities as the consideration for the business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The total par value of the shares issued is recognised as the share capital. The difference between the initial investment cost and the carrying amount of the total par value of the shares issued shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For business combination not under common control, the assets paid, liabilities incurred or assumed and the fair value of equity securities issued to obtain the control of the acquiree at the acquisition date shall be determined as the cost of the business combination and recognised as the initial cost of the long-term equity investment. The audit, legal, valuation and advisory fees, other intermediary fees, and other relevant general administrative costs incurred for the business combination, shall be recognised in profit or loss as incurred.

(ii) Long-term equity investments acquired not through the business combination, the investment cost shall be determined based on the following requirements:

For long-term equity investments acquired by payments in cash, the initial cost is the actually paid purchase cost, including the expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments.

For long-term equity investments acquired through issuance of equity securities, the initial cost is the fair value of the issued equity securities.

For the long-term equity investments obtained through exchange of non-monetary assets, if the exchange has commercial substance, and the fair values of assets traded out and traded in can be measured reliably, the initial cost of long-term equity investment traded in with non-monetary assets are determined based on the fair values of the assets traded out together with relevant taxes. Difference between fair value and book value of the assets traded out is recorded in current profit or loss. If the exchange of non-monetary assets does not meet the above criterion, the book value of the assets traded out and relevant taxes are recognised as the initial investment cost.

For long-term equity investment acquired through debt restructuring, the initial cost is determined based on the fair value of the equity obtained and the difference between initial investment cost and carrying amount of debts shall be recorded in current profit or loss.

(c) Subsequent measurement and recognition of profit or loss

Long-term equity investment to an entity over which the Company has ability of control shall

be accounted for at cost method. Long-term equity investment to a joint venture or an associate shall be accounted for at equity method.

(i) Cost method

For Long-term equity investment at cost method, cost of the long-term equity investment shall be adjusted when additional amount is invested or a part of it is withdrawn. The Company recognises its share of cash dividends or profits which have been declared to distribute by the investee as current investment income.

(ii) Equity method

If the initial cost of the investment is in excess of the share of the fair value of the net identifiable assets in the investee at the date of investment, the difference shall not be adjusted to the initial cost of long-term equity investment; if the initial cost of the investment is in short of the share of the fair value of the net identifiable assets in the investee at the date investment, the difference shall be included in the current profit or loss and the initial cost of the long-term equity investment shall be adjusted accordingly.

The Company recognises the share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment shall be reduced by the share of any profit or cash dividends declared to distribute by the investee. The investor's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, shall be recognised in the investor's equity, and the carrying amount of the long-term equity investment shall be adjusted accordingly. The Company recognises its share of the investee's net profits or losses after making appropriate adjustments of investee's net profit based on the fair values of the investee's identifiable net assets at the investment date. If the accounting policy and accounting period adopted by the investee is not in consistency with the Company, the financial statements of the investee shall be adjusted according to the Company's accounting policies and accounting period, based on which, investment income or loss and other comprehensive income, etc., shall be adjusted. The unrealized profits or losses resulting from inter-company transactions between the company and its associate or joint venture are eliminated in proportion to the company's equity interest in the investee, based on which investment income or losses shall be recognised. Any losses resulting from inter-company transactions between the investor and the investee, which belong to asset impairment, shall be recognised in full.

Where the Company obtains the power of joint control or significant influence, but not control, over the investee, due to additional investment or other reason, the relevant long-term equity investment shall be accounted for by using the equity method, initial cost of which shall be the fair value of the original investment plus the additional investment. Where the original investment is classified as other equity investment, difference between its fair value and the carrying value, in addition to the cumulative changes in fair value previously recorded in other comprehensive income, shall be recognised into retained earnings of the period of using equity method.

If the Company loses the joint control or significant influence of the investee for some reasons such as disposal of equity investment, the retained interest shall be measured at fair value and the difference between the carrying amount and the fair value at the date of loss the joint control or significant influence shall be recognised in profit or loss. When the Company discontinues the use of the equity method, the Company shall account for all amounts previously recognised in other comprehensive income under equity method in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

(e) Impairment testing and provision for impairment loss

For investment in subsidiaries, associates or a joint ventures, provision for impairment loss please refer to Note 3.22.

3.16 Investment Properties

(a) Classification of investment properties

Investment properties are properties to earn rentals or for capital appreciation or both, including:

- (i) Land use right leased out
- (ii) Land held for transfer upon appreciation
- (iii) Buildings leased out

(b) The measurement model of investment property

The Company adopts the cost model for subsequent measurement of investment properties. For provision for impairment please refer to Note 3.22.

The Company calculates the depreciation or amortization based on the net amount of investment property cost less the accumulated impairment and the net residual value using straight-line method.

3.17 Fixed Assets

Fixed assets refer to the tangible assets with higher unit price held for the purpose of producing commodities, rendering services, renting or business management with useful lives exceeding one year.

(a) Recognition criteria of fixed assets

Fixed assets will only be recognised at the actual cost paid when obtaining as all the following criteria are satisfied:

- (i) It is probable that the economic benefits relating to the fixed assets will flow into the Company;
- (ii) The costs of the fixed assets can be measured reliably.

Subsequent expenditure for fixed assets shall be recorded in cost of fixed assets, if recognition criteria of fixed assets are satisfied, otherwise the expenditure shall be recorded in current profit or loss when incurred.

(b) Depreciation methods of fixed assets

The Company begins to depreciate the fixed asset from the next month after it is available for intended use using the straight-line-method. The estimated useful life and annual depreciation rates which are determined according to the categories, estimated economic useful lives and estimated net residual rates of fixed assets are listed as followings:

Category	Estimated useful life (year)	Residual rates (%)	Annual depreciation rates (%)
Plant and buildings	20~50	0~10.00	1.80~5.00
Fixture and other facilities	3~50	0~5.00	1.90~33.33
Machinery equipment (Note)	2~30	0~40.00, Estimated equipment residual value	2.00~25.00
Transportation equipment - Ship	10~25	0~10.00	3.60~10.00
Transportation equipment - Other than ship	4~8	0~10.00	11.25~25.00
Electronic equipment and office equipment	3~10	0~10.00	18.00~33.33
Others	3~5	0~10.00	18.00~33.33

Note: This category includes aluminum mouldboard, and the depreciation period is 4 years. The estimated residual value of the equipment is calculated by referring to the average price of aluminum ingots of "Shanghai Metals Market" in the past five years.

For the fixed assets with impairment provided, the impairment provision should be excluded from the cost when calculating depreciation.

At the end of reporting period, the Company shall review the useful life, estimated net residual value and depreciation method of the fixed assets. Estimated useful life of the fixed assets shall be adjusted if it is changed compared to the original estimation.

3.18 Construction in Progress**(a) Classification of construction in progress**

Construction in progress is measured on an individual project basis.

(b) Recognition criteria and timing of transfer from construction in progress to fixed assets

The initial book values of the fixed assets are stated at total expenditures incurred before they are ready for their intended use, including construction costs, original price of machinery equipment, other necessary expenses incurred to bring the construction in progress to get ready for its intended use and borrowing costs of the specific loan for the construction or the proportion of the general loan used for the constructions incurred before they are ready for their intended use. The construction in progress shall be transferred to fixed asset when the installation or construction is ready for the intended use. For construction in progress that has been ready for their intended use but relevant budgets for the completion of projects have not

been completed, the estimated values of project budgets, prices, or actual costs should be included in the costs of relevant fixed assets, and depreciation should be provided according to relevant policies of the Company when the fixed assets are ready for intended use. After the completion of budgets needed for the completion of projects, the estimated values should be substituted by actual costs, but depreciation already provided is not adjusted.

3.19 Borrowing Costs

(a) Recognition criteria and period for capitalization of borrowing costs

The Company shall capitalize the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets when meet the following conditions:

- (i) Expenditures for the asset are being incurred;
- (ii) Borrowing costs are being incurred, and;
- (iii) Acquisition, construction or production activities that are necessary to prepare the assets for their intended use or sale are in progress.

Other borrowing cost, discounts or premiums on borrowings and exchange differences on foreign currency borrowings shall be recognized into current profit or loss when incurred.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally and the interruption is for a continuous period of more than 3 months.

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. The expenditure incurred subsequently shall be recognised as expenses when incurred.

(b) Capitalization rate and measurement of capitalized amounts of borrowing costs

When funds are borrowed specifically for purchase, construction or manufacturing of assets eligible for capitalization, the Company shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income on bank deposit or investment income on the temporary investment of those borrowings.

Where funds allocated for purchase, construction or manufacturing of assets eligible for capitalization are part of a general borrowing, the eligible amounts are determined by the weighted-average of the cumulative capital expenditures in excess of the specific borrowing multiplied by the general borrowing capitalization rate. The capitalisation rate will be the weighted average of the borrowing costs applicable to the general borrowing.

3.20 Biological Assets

(a) Recognition criteria of biological assets

A biological asset is a living animal or plant. The Company recognises a biological asset when all of the following criteria are satisfied:

- (i) The Company owns or controls the asset as a result of past events;
- (ii) It is probable that future economic benefits associated with the asset will flow to the Company; and;
- (iii) The fair value or cost of the asset can be measured reliably.

(b) Classification of biological assets

Biological assets of the Company include consumptive biological assets.

The consumptive biological assets refer to the biological assets held for sale, or biological assets to be harvested as agricultural products in the future. The consumptive biological assets are initially measured at cost. The costs of any consumptive biological assets by way of self-planting, self-cultivating, self-breeding shall be determined as necessary expenses directly attributable to the assets incurred prior to the canopy closure, including borrowing cost eligible for capitalisation. The subsequent expenses for the management and protection or for the breeding of consumptive biological asset after canopy closure shall be included in profit or loss.

The cost of a consumptive biological asset shall, at the time of harvest or sale, be carried over in accordance with its book value using stock volume proportion method/ fixed number of years within rotational felling period method.

(c) Impairment of biological assets

If the net realizable value of consumable biological assets is less than the carrying amount, make provision for diminution and recognize it in profit or loss according to the difference between the net realizable value and the carrying amount. If the factors of consumable biological asset impairment have disappeared, the reduced amount should be restored and reversed in provision for diminution, the amount which has been reversed is recognized in profit or loss.

3.21 Intangible Assets

(a) Measurement method of intangible assets

Intangible assets are recognised at actual cost at acquisition.

(b) The useful life and amortisation of intangible assets

- (i) The estimated useful lives of the intangible assets with finite useful lives are as follows:

Category	Estimated useful life	Basis
Land use right	50 years or beneficial period	Legal use right
Software	2-10 years or beneficial period	The useful life is determined by reference to the period that can bring economic benefits to the Company
Patent	Beneficial period	The useful life is determined by reference to the period that can bring economic benefits to the Company
Know-how	Beneficial period	The useful life is determined by reference to the period that can bring economic benefits to the Company

Category	Estimated useful life	Basis
Forest right	Carried forward according to actual of logging	
Other	Beneficial Period	The useful life is determined by reference to the period that can bring economic benefits to the Company

For intangible assets with finite useful life, the estimated useful life and amortisation method are reviewed annually at the end of each reporting period and adjusted when necessary. No change incurs in current year in the estimated useful life and amortisation method upon review.

(ii) Assets of which the period to bring economic benefits to the Company are unforeseeable are regarded as intangible assets with indefinite useful lives. The Company reassesses the useful lives of those assets at every year end. If the useful lives of those assets are still indefinite, impairment test should be performed on those assets at the balance sheet date.

(iii) Amortisation of the intangible assets

For intangible assets with finite useful lives, their useful lives should be determined upon their acquisition and systematically amortised on a straight-line basis [units of production method] over the useful life. The amortisation amount shall be recognized into current profit or loss according to the beneficial items. The amount to be amortised is cost deducting residual value. For intangible assets which has impaired, the cumulative impairment provision shall be deducted as well. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless: there is a commitment by a third party to purchase the asset at the end of its useful life; or there is an active market for the asset and residual value can be determined by reference to that market; and it is probable that such a market will exist at the end of the asset's useful life.

Intangible assets with indefinite useful lives shall not be amortised. The Company reassesses the useful lives of those assets at every year end. If there is evidence to indicate that the useful lives of those assets become finite, the useful lives shall be estimated and the intangible assets shall be amortised systematically and reasonably within the estimated useful lives.

(c) Criteria of classifying expenditures on internal research and development projects into research phase and development phase

Preparation activities related to materials and other relevant aspects undertaken by the Company for the purpose of further development shall be treated as research phase.

Expenditures incurred during the research phase of internal research and development projects shall be recognised in profit or loss when incurred.

Development activities after the research phase of the Company shall be treated as development phase.

(d) Criteria for capitalization of qualifying expenditures during the development phase

Expenditures arising from development phase on internal research and development projects shall be recognised as intangible assets only if all of the following conditions have been met:

- (i) Technical feasibility of completing the intangible assets so that they will be available for use or sale;
- (ii) Its intention to complete the intangible asset and use or sell it;
- (iii) The method that the intangible assets generate economic benefits, including the Company can demonstrate the existence of a market for the output of the intangible assets or the intangible assets themselves or, if it is to be used internally, the usefulness of the intangible assets;
- (iv) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (v) Its ability to measure reliably the expenditure attributable to the intangible asset.

3.22 Impairment of Long-Term Assets

Impairment loss of long-term equity investment in subsidiaries, associates and joint ventures, investment properties subsequently measured at cost, fixed assets, constructions in progress, intangible assets, right of use assets, goodwill, and other relevant facilities (excluding inventories, deferred tax assets, financial assets), shall be determined according to following method:

The Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset and test for impairment. Irrespective of whether there is any indication of impairment, the Company shall test for impairment of goodwill acquired in a business combination, intangible assets with an indefinite useful life or intangible assets not yet available for use annually.

The recoverable amounts of the long-term assets are the higher of their fair values less costs to dispose and the present values of the estimated future cash flows of the long-term assets. The Company estimate the recoverable amounts on an individual basis. If it is difficult to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the groups of assets that the individual asset belongs to. Identification of a group of asset is based on whether the cash inflows from it are largely independent of the cash inflows from other assets or groups of assets.

If, and only if, the recoverable amount of an asset or a group of assets is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount and the provision for impairment loss shall be recognised accordingly.

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to relevant group of assets based on reasonable method; if it is difficult to allocate to relevant group of assets, good will shall be allocated to relevant combination of asset groups. The relevant group of assets or combination of asset groups is a group of assets or combination of asset groups that is benefit from the synergies of the business combination and is not larger than the reporting segment determined by the Company.

When test for impairment, if there is an indication that relevant group of assets or combination of asset groups may be impaired, impairment testing for group of assets or combination of asset

groups excluding goodwill shall be conducted first, and the recoverable amount shall be then calculated and the impairment loss shall be recognised accordingly. Then the group of assets or combination of asset groups including goodwill shall be tested for impairment, by comparing the carrying amount with its recoverable amount. If the recoverable amount is less than the carrying amount, the Company shall recognise the impairment loss.

The mentioned impairment loss will not be reversed in subsequent accounting period once it had been recognised.

3.23 Long-term Deferred Expenses

Long-term deferred expenses are various expenses already incurred, which shall be amortised over current and subsequent periods with the amortisation period exceeding one year.

For long-term deferred expense that cannot bring benefit in future period, the Company recognized its amortized cost in profit or loss for the current period.

3.24 Employee Benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to an employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

According to liquidity, employee benefits are presented in the statement of financial position as "Employee benefits payable" and "Long-term employee benefits payable".

(a) Short-term employee benefits

(i) Employee basic salary (salary, bonus, allowance, subsidy)

The Company recognises, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to current profit except for those recognised as capital expenditure based on the requirement of accounting standards.

(ii) Employee welfare

The Company shall recognise the employee welfare based on actual amount when incurred into current profit or loss or related capital expenditure. Employee welfare shall be measured at fair value as it is a non-monetary benefits.

(iii) Social insurance such as medical insurance, work injury insurance and maternity insurance, housing funds, labor union fund and employee education fund

Payments made by the Company of social insurance for employees, such as medical insurance, work injury insurance and maternity insurance, payments of housing funds, and labor union fund and employee education fund accrued in accordance with relevant requirements, in the accounting period in which employees provide services, is calculated according to required accrual bases and accrual ratio in determining the amount of employee benefits and the related

liabilities, which shall be recognised in current profit or loss or the cost of relevant asset.

(b) Post-employment benefits

(i) Defined contribution plans

The Company shall recognise, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the current profit or loss or the cost of a relevant asset.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they shall be discounted using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined contribution obligations) to measure employee benefits payable.

(ii) Defined benefit plan

The present value of defined benefit obligation and current service costs

Based on the expected accumulative welfare unit method, the Company shall make estimates about demographic variables and financial variables in adopting the unbiased and consistent actuarial assumptions and measure defined benefit obligation, and determine the obligation period. The Company shall discount the obligation arising from defined benefit plan using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined benefit obligations) in order to determine the present value of the defined benefit obligation and the current service cost.

(c) Termination benefits

The Company providing termination benefits to employees shall recognise an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss of the reporting period, at the earlier of the following dates:

- (i) When the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal.
- (ii) When the Company recognises costs or expenses related to a restructuring that involves the payment of termination benefits.

If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, the Company shall discount the termination benefits using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined benefit obligations) to measure the employee benefits.

Meet the conditions of the defined contribution plan

When other long-term employee benefits provided by the Company to the employees satisfies

the conditions for classifying as a defined contribution plan, all those benefits payable shall be accounted for as employee benefits payable at their discounted value.

In order to simplify the accounting treatment, the net amount of above items shall be recognised in profit or loss or relevant cost of assets.

3.25 Estimated Liabilities

(a) Recognition criteria of estimated liabilities

The Company recognises the estimated liabilities when obligations related to contingencies satisfy all the following conditions:

- (i) That obligation is a current obligation of the Company;
- (ii) It is likely to cause any economic benefit to flow out of the Company as a result of performance of the obligation; and
- (iii) The amount of the obligation can be measured reliably.

(b) Measurement method of estimated liabilities

The estimated liabilities of the Company are initially measured at the best estimate of expenses required for the performance of relevant present obligations. The Company, when determining the best estimate, has had a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. The carrying amount of the estimated liabilities shall be reviewed at the end of every reporting period. If conclusive evidences indicate that the carrying amount fails to be the best estimate of the estimated liabilities, the carrying amount shall be adjusted based on the updated best estimate.

3.26 Share-based Payments

(a) Classification of share-based payments

Share-based payments of the Company include equity-settled share-based payments and cash-settled share-based payments.

(b) Determining fair value of equity instruments

- (i) The fair value of shares granted to the employees can be determined by reference to the quotations in the active market, adjusted in accordance with the terms and conditions granted (excluding vesting conditions other than market conditions).
- (ii) For share option granted to the employees, it is usually difficult to obtain its market price. If the share option with similar terms and conditions is not available, the Company estimates the fair value of those options using an applicable option pricing model.

(c) Basis of best estimate of equity instruments expected to vest

Every balance sheet date during the vesting period, the Company makes best estimate according to the most updated number of employees that are eligible to exercise their options and revises the number of equity instruments expected to vest in order to make the best estimate of equity instruments expected to vest.

(d) Accounting for implementation of share-based payment programs

Cash-settled share-based payment

(i) For cash-settled share-based payment vested immediately after granting, the Company shall recognise relevant costs or expenses at the fair value of the liability borne at grant date and a corresponding increase in liability. Until the liability is settled, the Company shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss.

(ii) If the share instrument do not vest until services during the vesting period are completed or performance conditions are satisfied during the vesting period, at the end of each reporting period during the vesting period, the Company shall recognise relevant costs or expenses and the corresponding increase in liability for services received in the reporting period at the fair value of the liability borne, based on the best available estimate of the number expected to vest.

Equity-settled share-based payment

(i) For equity-settled share-based payment transaction in which services are received, if the equity instrument granted vest immediately, the Company shall recognise relevant costs or expenses at the fair value of the equity instruments at grant date and the corresponding increase in capital reserve.

(ii) If the equity instrument do not vest until services during the vesting period are completed or performance conditions are satisfied, at the end of each reporting period during the vesting period, the Company shall recognise relevant costs or expenses and the corresponding increase in capital reserve for services received in the reporting period at the fair value of the equity instruments at grant date, based on the best available estimate of the number of equity instruments expected to vest.

(e) Accounting for modification of share-based payment programs

When the Company modifies terms and conditions of the share-based payment program, if the modification increases the fair value of the equity instruments granted, the increased amount should be recognised for service received accordingly; if the quantity granted of the equity instruments is increased, the increased amount should be recognised for service received accordingly as well. If the modification reduces the total fair value of the share-based payment arrangement, or the terms are changed in such a way that the arrangement is no longer for the benefit of the employee, the entity is still required to account for the services received as consideration for the equity instruments granted as if that modification had not occurred unless a part or all of the equity instruments are cancelled.

(f) Accounting for termination of share-based payment programs

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company shall:

(i) Account for the cancellation or settlement as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

(ii) Account for any payment made to the employee on the cancellation or settlement of the grant as the repurchase of an equity interest, and recognize any excess of the payment over the fair value of the equity instruments measured at the repurchase date as an expense.

If the Company repurchases vested equity instruments, the payment made to the employee shall be accounted for as a deduction from equity, and recognize any excess of the payment over the fair value of the equity instruments measured at the repurchase date shall be recognised in current profit or loss.

3.27 Other Financial Instrument Such as Preference Share and Perpetual Debts

(a) Classification criteria of other financial instruments such as preference share and perpetual debts

Other financial instruments such as preference share and perpetual capital securities issued by the Company shall be classified into financial liabilities or equity instruments based on the judgment of specific contents of the relevant contracts or agreements in accordance with the principle of substance over form. If other financial instruments such as preference share and perpetual capital securities issued by the Company, of which do not include the delivery of cash or other financial assets to other parties or the contractual obligations of exchanging financial assets or financial liabilities with other parties under other potential adverse conditions, they shall be classified as equity instruments.

(b) Accounting for other financial instruments such as preference share and perpetual debts

The Company shall determine the accounting treatment of interest expense or dividend distribution of the financial instruments based on their category. For financial instruments classified as equity instruments, no matter whether the name contains the word of “debt”, the interest expense or dividend distribution shall be treated as the profit distribution of the Company (the issuing company), with the repurchase or cancellation shall be treated as the changes in equity; For financial instruments classified as financial liabilities, no matter whether the name contains the word of “share”, in principle, the interest expense or dividend distribution shall be treated as the borrowing cost, with any gain or loss from the repurchase or redemption shall be recognised in current profit or loss.

3.28 Revenue

(a) General Principle

Revenue is defined as the gross inflow of economic benefits arising in the course of the ordinary activities of the Company when those inflows result in the increases in shareholders' equity, other than increases relating to contributions from shareholders.

The Company shall recognise revenue when it satisfies a performance obligation in the contract as the customer obtains control of a good or service. Control of a good or service refers to the ability to direct the use of, and obtain substantially all of the remaining economic benefits from, the good or service.

When the contract has two or more obligation performances, the Company shall allocate the transaction price to each performance obligation in proportion to a relative stand-alone selling price at contract inception of the promised good or service underlying each performance obligation in the contract and recognize revenue based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. When determining the transaction price of the contract, if the contract includes a variable consideration, the Company shall determine the best estimate of the variable consideration based on the expected value or the most likely amount and include in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. If the contract contains a significant financing component, the Company shall determine the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the transaction price and the promised consideration shall be amortised using the effective interest method within the contract period. The Company need not consider the effects of a significant financing component if the period between when the Company transfers control of a good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company satisfies a performance obligation over time, if one of the following criteria is met; otherwise a performance obligation is satisfied at a point in time:

- (i) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- (ii) the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- (iii) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Company shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation, unless those progress cannot be reasonably measured. The Company measures the progress of a performance obligation for the service rendered using input methods (or output methods). In some circumstances, the Company cannot be able to reasonably measure the progress of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the progress of the performance obligation.

The Company shall recognise revenue at the point in which a customer obtains control of a promised good or service if a performance obligation is satisfied at a point in time. To determine

the point in time at which a customer obtains control of a promised good or service, the Company shall consider indicators of the transfer of control, which include, but are not limited to, the followings:

- (i) The Company has a present right to payment for the good or service – a customer is presently obliged to pay for the good or service;
- (ii) The Company has transferred legal title of an asset to a customer - the customer has legal title to the asset;
- (iii) The Company has transferred physical possession of an asset to a customer - the customer has physical possession of the asset;
- (iv) The Company has transferred the significant risks and rewards of ownership of the asset to a customer - the customer has the significant risks and rewards of ownership of the asset;
- (v) The customer has accepted the asset.

Sale with a right of return

For sales with a right of return, when the customer obtains the control of a product, the Company shall recognise revenue for the transferred products in the amount of consideration to which the Company expects to be entitled and a refund liability at the amounts receivable for which the Company does not expect to be entitled; meanwhile, an asset shall be recognised as receivables on the cost of return measured at the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value to the entity of returned products), and the net amount of the former carrying amount of the product when transferred to the customer less above mentioned cost shall be recorded into the cost of sales. At the end of each reporting period, the Company shall re-assess the expectations about the sales return and remeasure above mentioned assets and liabilities.

Warranties

In accordance with the contract, the law or other requirements, the Company provides a warranty in connection with the sale of a product or construction of a project. For warranties which provide a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications, the Company shall treat it in accordance with "Accounting Standards for Business Enterprise No. 13-Contingencies". If a warranty, or a part of a warranty, provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Company shall treat it as a performance obligation, and allocate the transaction price to the warranty based on the relative proportion to the stand-alone selling price of the product and the service, and recognise revenue when the customer obtains the control of the service. In assessing whether a warranty provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Company shall consider factors such as: whether the warranty is required by law; the length of the warranty coverage period and the nature of the tasks that the Company promises to perform.

Principal versus agent considerations

The Company determines whether it is a principal or an agent of the transaction on the basis of whether it has control over the goods or services before they are transferred to customers. If the Company obtains the control of the specified goods or services from another party and then transfers the goods or services to the customer, the Company is therefore a principal, and recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or services transferred. Otherwise, the Company is an agent, and shall recognise revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by another party. The fee or commission might be the net amount of received or receivable consideration that the Company retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party or determined based on the specified commission amount or proportion.

Consideration payable to a customer

The Company shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company. The reduction of revenue shall be recognised when (or as) the later of either of the following events occurs: the Company recognises revenue for the transfer of the related goods or services to the customer; and the Company pays or promises to pay the consideration.

Customers' unexercised rights

Upon receipt of a prepayment for a good or service from a customer, the Company shall recognise a contract liability in the amount of the prepayment and recognise revenue when it satisfies its performance obligation. If the prepayment to the Company is non-refundable and the customer may not exercise part or all of its contractual rights, and the Company expects to be entitled to a breakage amount related to those unexercised rights of the customer, the Company shall recognise the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer; otherwise, the Company shall recognise the remaining balance of above mentioned liability as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

Contract modifications

When the construction contract modifications exist between the Company and the customer:

- (i) The Company shall account for a contract modification as a separate contract if the modification results in the addition of promised construction services that are distinct and increase of the price of the contract, and the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling prices of the additional promised construction services;
- (ii) If the contract modification is not accounted for as a separate contract in accordance with above mentioned circumstance, and the remaining construction services are distinct from the construction services transferred on or before the date of the contract modification, the Company shall account for the contract modification as if it were a termination of the existing

contract and the creation of a new contract with the combination of the remaining performance obligations of the existing contract and the contract modification.

(iii) If the contract modification is not accounted for as a separate contract in accordance with above mentioned circumstance, and the remaining construction services cannot be distinct from the construction services transferred on or before the date of the contract modification, the Company shall account for the contract modification as if it were a part of the existing contract and the effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue at the date of the contract modification.

(b) Specific Method

Revenue recognition methods of the Company are as follows:

(i) Contract of sales of goods

The Company has transferred the promised goods to the customer according to the contract and the customer has accepted the goods; the payment has been received or the receipt voucher has been obtained and it is highly probable that the economic benefits associated will flow into the Company; the rewards of ownership of the asset has been transferred; legal title of the asset has been transferred.

(ii) Contract of rendering services

As the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs, the Company shall treat it as a performance obligation satisfied over time and recognise revenue on a straight-line basis throughout the performance period.

(iii) Construction contract

If the performance conditions are met within a certain period of time, the Company will recognize revenue in accordance with the progress of the contract within that period of time. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be measured, the revenue shall be recognized according to the amount of the actual cost incurred until the performance progress can be reasonably determined; if the cost incurred is not expected to be recovered, it shall be immediately recognized as expenses rather than revenue. When the Company's total contract revenue can be reliably measured, the economic benefits related to the contract are likely to flow into the company, the actual contract costs can be clearly distinguished and reliably measured, and the contract completion schedule and the remaining costs to complete the contract can be reliably determined. , It is deemed that the result of the contract can be reasonably foreseeable, and the progress of the performance of the contract can be reasonably determined. If the performance conditions are not met within a certain period of time, the Company will recognize revenue based on the transaction price determined in the contract or delivery documents when the ship is completed and delivered.

(iv) Contract of sales of real estate

The Company satisfies the performance obligation of a sales contract of real estate at a point in

time. The revenue of sales of real estate is recognised when the customer obtains the physical possession of the asset or legal title of the completed property or the Company has a present right to payment for the asset and is highly probable to collect the consideration. When determining the transaction price, if the financing component is significant, the Company shall adjust the promised amount of consideration based on the financing component of the contract.

3.29 Government Grants

(a) Recognition of government grants

A government grant shall not be recognised until there is reasonable assurance that:

- (i) The Company will comply with the conditions attaching to them; and
- (ii) The grants will be received.

(b) Measurement of government grants

Monetary grants from the government shall be measured at amount received or receivable, and non-monetary grants from the government shall be measured at their fair value or at a nominal value of RMB 1.00 when reliable fair value is not available.

(c) Accounting for government grants

(i) Government grants related to assets

Government grants pertinent to assets mean the government grants that are obtained by the Company used for purchase or construction, or forming the long-term assets by other ways. Government grants pertinent to assets shall be recognised as deferred income, and should be recognised in profit or loss on a systematic basis over the useful lives of the relevant assets. Grants measured at their nominal value shall be directly recognised in profit or loss of the period when the grants are received. When the relevant assets are sold, transferred, written off or damaged before the assets are terminated, the remaining deferred income shall be transferred into profit or loss of the period of disposing relevant assets.

(ii) Government grants related to income

Government grants other than related to assets are classified as government grants related to income. Government grants related to income are accounted for in accordance with the following principles:

If the government grants related to income are used to compensate the enterprise's relevant expenses or losses in future periods, such government grants shall be recognised as deferred income and included into profit or loss (or write down related expenses) in the same period as the relevant expenses or losses are recognised;

If the government grants related to income are used to compensate the enterprise's relevant expenses or losses incurred, such government grants are directly recognised into current profit or loss (or write down related expenses).

For government grants comprised of part related to assets as well as part related to income, each part is accounted for separately; if it is difficult to identify different part, the government grants

are accounted for as government grants related to income as a whole.

Government grants related to daily operation activities are recognised in other income (or write down related expenses) in accordance with the nature of the activities, and government grants irrelevant to daily operation activities are recognised in non-operating income.

(iii) Loan interest subsidy

When loan interest subsidy is directly allocated to the Company, the subsidy shall be recognised as offsetting the relevant borrowing cost.

3.30 Deferred Tax Assets and Deferred Tax Liabilities

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base at the balance sheet date. The Company recognise and measure the effect of taxable temporary differences and deductible temporary differences on income tax as deferred tax liabilities or deferred tax assets using liability method. Deferred tax assets and deferred tax liabilities shall not be discounted.

(a) Recognition of deferred tax assets

Deferred tax assets should be recognised for deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits can be utilised at the tax rates that are expected to apply to the period when the asset is realised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- (i) Is not a business combination; and
- (ii) At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

The Company shall recognise a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, only to the extent that, it is probable that:

- (i) The temporary difference will reverse in the foreseeable future; and
- (ii) Taxable profit will be available against which the deductible temporary difference can be utilised.

At the end of each reporting period, if there is sufficient evidence that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, the Company recognises a previously unrecognised deferred tax asset.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

(b) Recognition of deferred tax liabilities

A deferred tax liability shall be recognised for all taxable temporary differences at the tax rate that are expected to apply to the period when the liability is settled.

(i) No deferred tax liability shall be recognised for taxable temporary differences arising from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction which: is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

(ii) An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that both of the following conditions are satisfied:

- The Company is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

(c) Recognition of deferred tax liabilities or assets involved in special transactions or events

(i) Deferred tax liabilities or assets related to business combination

For the taxable temporary difference or deductible temporary difference arising from a business combination not under common control, a deferred tax liability or a deferred tax asset shall be recognised, and simultaneously, goodwill recognised in the business combination shall be adjusted based on relevant deferred tax expense (income).

(ii) Items directly recognised in equity

Current tax and deferred tax related to items that are recognised directly in equity shall be recognised in equity. Such items include: other comprehensive income generated from fair value fluctuation of other debt investments; an adjustment to the opening balance of retained earnings resulting from either a change in accounting policy that is applied retrospectively or the correction of a prior period (significant) error; amounts arising on initial recognition of the equity component of a compound financial instrument that contains both liability and equity component.

(iii) Unused tax losses and unused tax credits

Unused tax losses and unused tax credits generated from daily operation of the Company itself

Deductible loss refers to the loss calculated and permitted according to the requirement of tax law that can be offset against taxable income in future periods. The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. The Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Income taxes in current profit or loss shall be deducted as well.

Unused tax losses and unused tax credits arising from a business combination

Under a business combination, the acquiree's deductible temporary differences which do not satisfy the criteria at the acquisition date for recognition of deferred tax asset shall not be recognised. Within 12 months after the acquisition date, if new information regarding the facts and circumstances exists at the acquisition date and the economic benefit of the acquiree's deductible temporary differences at the acquisition is expected to be realised, the Company shall recognise acquired deferred tax benefits and reduce the carrying amount of any goodwill related to this acquisition. If goodwill is reduced to zero, any remaining deferred tax benefits shall be recognised in profit or loss. All other acquired deferred tax benefits realised shall be recognised in profit or loss.

(iv) Temporary difference generated in consolidation elimination

When preparing consolidated financial statements, if temporary difference between carrying value of the assets and liabilities in the consolidated financial statements and their taxable bases is generated from elimination of inter-company unrealized profit or loss, deferred tax assets or deferred tax liabilities shall be recognised in the consolidated financial statements, and income taxes expense in current profit or loss shall be adjusted as well except for deferred tax related to transactions or events recognised directly in equity and business combination.

(v) Share-based payment settled by equity

If tax authority permits tax deduction that relates to share-based payment, during the period in which the expenses are recognised according to the accounting standards, the Company estimates the tax base in accordance with available information at the end of the accounting period and the temporary difference arising from it. Deferred tax shall be recognised when criteria of recognition are satisfied. If the amount of estimated future tax deduction exceeds the amount of the cumulative expenses related to share-based payment recognised according to the accounting standards, the tax effect of the excess amount shall be recognised directly in equity.

(d) Basis for deferred income tax assets and deferred income tax liabilities presented on a net basis

The Company shall offset deferred tax assets and deferred tax liabilities if, and only if: (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.31 Leases

(a) Identifying a lease

At inception of a contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company shall assess whether, throughout the period of use, the customer has the right to obtain substantially all of the economic benefits from use of the identified asset and to direct the use of the identified asset.

(b) Identifying a separate lease component

When a contract includes more than one separate lease components, the Company shall separate components of the contract and account for each lease component separately. The right to use an underlying asset is a separate lease component if both conditions have been satisfied: (i) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; (ii) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

(c) The Company as a lessee

At the commencement date, the Company identifies the lease that has a lease term of 12 months or less and does not contain a purchase option as a short-term lease. A lease qualifies as a lease of a low-value asset if the nature of the asset is such that, when new, the asset is typically of low value. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all asset included in short-term leases or leases for which the underlying asset is of low value, the Company shall recognise the lease payments associated with those leases as cost of relevant asset or expenses in current profit or loss on a straight-line basis over the lease term.

Except for the election of simple treatment as short-term lease or lease of a low-value asset as mentioned above, at the commencement date, the Company shall recognise a right-of-use asset and a lease liability.

(i) Right-of-use asset

A right-of-use asset is an asset that represents a lessee's right to use an underlying asset for the lease term.

At the commencement date, the Company shall initially measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the

condition required by the terms and conditions of the lease. The Company recognises and measures the cost in accordance with the recognition criteria and measurement method for estimated liabilities, details please refer to Notes 3.25. Those costs incurred to produce inventories shall be included in the cost of inventories.

The right-of-use asset shall be depreciated according to the categories using straight-line method. If it is reasonably certain that the ownership of the underlying asset shall be transferred to the lessee by the end of the lease term, the depreciation rate shall be determined based on the classification of the right-of-use asset and estimated residual value rate from the commencement date to the end of the useful life of the underlying asset. Otherwise, the depreciation rate shall be determined based on the classification of the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

(ii) Lease liability

At the commencement date, the lease liability shall be measured at the present value of the lease payments that are not paid at that date. The lease payments included in the measurement of the lease liability comprise the following 5 items:

- fixed payments and in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;
- amounts expected to be payable by the lessee under residual value guarantees.

In order to calculate the present value of the lease payments, interest rate implicit in the lease shall be used as the discount rate. If that rate cannot be readily determined, the Company shall use the incremental borrowing rate. The difference between the lease payments and its present value shall be recognised as unrecognised financing charges, calculated bases on the discount rate of the present value of the lease payments in each period within the lease term and recorded as interest expense in current profit or loss. Variable lease payments not included in the measurement of lease liabilities shall be recognised in current profit or loss when incurred.

After the commencement date, the Company shall remeasure the lease liability based on the revised present value of the lease payments and adjust the carrying amount of the right-of-use asset if there is a change in the in-substance fixed payments, or change in the amounts expected to be payable under a residual value guarantee, or change in an index or a rate used to determine lease payments, or change in the assessment or exercising of an option to purchase the underlying asset, or an option to extend or terminate the lease.

(d) The Company as a lessor

At the commencement date, the Company shall classify a lease as a finance lease if it transfers

substantially all the risks and rewards incidental to ownership of an underlying asset, otherwise it shall be classified as an operating lease.

(i) Operating leases

The Company shall recognise lease payments from operating leases as income on a straight-line basis / units of production method (or other systematic and rational basis) over the term of the relevant lease and the initial direct costs incurred in obtaining an operating lease shall be capitalised and recognised as an expense over the lease term on the same basis as the lease income. The Company shall recognise the variable lease payments relating to the operating lease but not included in the measurement of the lease receivables into current profit or loss when incurred.

(ii) Finance leases

At the commencement date, the Company shall recognise the lease receivables at an amount equal to the net investment in the lease (the sum of the present value of the unguaranteed residual values and the lease payment that are not received at the commencement date discounted at the interest rate implicit in the lease) and derecognise the asset relating to the finance lease. The Company shall recognise interest income using the interest rate implicit in the lease over the lease term.

The Company shall recognise the variable lease payments relating to the finance lease but not included in the measurement of the net investment in the lease into current profit or loss when incurred.

(c) Lease modifications

(i) A lease modification accounted for as a separate lease

The Company shall account for a modification to a lease as a separate lease, if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope.

(ii) A lease modification not accounted for as a separate lease

The Company as a lessee

At the effective date of the lease modification, the Company shall redetermine the lease term of the modified lease and remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

The Company shall account for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full

termination of the lease for lease modifications that decrease the scope of the lease or shorten the lease term. The Company shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.

- Making a corresponding adjustment to the carrying amount of the right-of-use asset for all other lease modifications.

The Company as a lessor

The Company shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For a modification to a finance lease that is not accounted for as a separate lease, the Company shall account for the modification as follows:

- if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Company shall account for the lease modification as a new lease from the effective date of the modification and measure the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification;
- if the lease would have been classified as a finance lease had the modification been in effect at the inception date, the Company shall account for the lease modification according to the requirements in the modification or renegotiation of the contract.

(f) Sale and leaseback

The Company shall determine whether the transfer of an asset under the sale and leaseback transaction is a sale of that asset according to the policies in Note 3.28.

(i) The Company as a seller (lessee)

If the transfer of the asset is not a sale, the Company shall continue to recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds. It shall account for the financial liability according to Note 3.10. If the transfer of the asset is a sale, the Company shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

(ii) The Company as a buyer (lessor)

If the transfer of the asset is not a sale, the Company shall not recognise the transferred asset and shall recognise a financial asset equal to the transfer proceeds. It shall account for the financial asset according to Note 3.10. If the transfer of the asset is a sale, the Company shall account for the purchase of the asset applying applicable Accounting Standards of Business Enterprises, and for the lease applying the lessor accounting requirements.

3.32 Safety Production Costs

According to the relevant regulations, the Company accrues the safety production costs of units engaged in transportation business or machinery manufacturing business according to Caizi [2022] No. 136 since 21 November 2022.

Safety costs are included in the costs of related products when provided, at the same time included in the "special reserve" account.

When safety costs provided are used according to the specified scope, payment of expenses is directly offset against the special reserve; payment in formation of fixed assets is first imputed through "construction in progress" account, then recognized as fixed assets when the project is completed to its intended use state; meanwhile, offset the special reserve according to the cost in formation of the fixed assets and recognize the same amount of accumulated depreciation. The fixed assets will no longer depreciate in the subsequent accounting periods.

3.33 Hedge Accounting

(a) Classification

The Company classifies hedge into fair value hedge, cash flow hedge, and net investment hedge in a foreign operation.

(i) A fair value hedge is a hedge of the exposure to changes in fair values of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, which is attributed to a particular risk and could affect the Company's profit or loss or other comprehensive income.

(ii) A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributed to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect the Company's profit or loss.

(iii) A net investment hedge in a foreign operation is a hedge of the foreign exchange risk arising from net investment in a foreign operation. The hedged exposure of a net investment hedge in a foreign operation is the translation difference between the functional currency of the foreign operation and that of the parent company.

(b) Hedging instruments and hedged items

Hedging instrument refers to a financial instrument which is designated by the Company for hedging and by which it is expected that changes in its fair value or cash flow can offset the changes in fair value or cash flow of the hedged item, including:

(i) Derivatives measured at fair value through profit or loss except for written option. A written option does not qualify as a hedging instrument unless it is designated as an offset to a purchased option (including one that is embedded in a hybrid contract) Derivatives embedded in a hybrid contract but not separated cannot qualify as a single hedging instrument.

(ii) A non-derivative financial asset or a non-derivative financial liability measured at fair value through profit or loss may be designated as a hedging instrument unless it is a financial liability designated as at fair value through profit or loss for which the amount of its change in fair value that is attributable to changes in the credit risk of that liability is presented in other comprehensive income.

The self-owned equity instruments are not financial assets or financial liabilities of the Company and therefore cannot be designated as hedging instruments.

A Hedged item refers to the item which exposes the Company to risk of changes in fair value or future cash flows and is designated as the hedged objectives and can be reliably measured. The Company designated following single item, a group of items or a component of such an item or group of items as hedged items:

(i) Recognised asset or liability

(ii) Unrecognised firm commitment. Firm commitment refers to a binding agreement for the exchange of a specified quantity of resource at a specified price on a specified future date or dates.

(iii) Highly probable forecast transaction. Forecast transaction refers to an uncommitted but anticipated future transaction.

(iv) Net investment in a foreign operation

A component comprises less than the entire fair value change or cash flow variability of an item. In that case, an entity may designate only the following types of components (including combinations) as hedged items:

(i) Only changes in the cash flows or fair value of an item attributable to a specific risk or risks (risk component), provided that, based on an assessment within the context of the particular market structure, the risk component is separately identifiable and reliably measurable.

(ii) One or more selected contractual cash flows.

(iii) Component of a nominal amount, ie a specified part of the overall amount or quantity of an item, it could be a proportion of an entire item or a layer component. A layer component that includes a prepayment option is not eligible to be designated as a hedged item in a fair value hedge if the prepayment option's fair value is affected by changes in the hedged risk, unless the designated layer includes the effect of the related prepayment option when determining the change in the fair value of the hedged item.

(c) Assessment of hedging relationship

At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. An entity shall assess at the inception of the hedging relationship, and on an ongoing basis, whether a hedging relationship meets the hedge effectiveness requirements.

The Company shall discontinue the hedge accounting if: hedging instrument expires or is sold, terminated or exercised (the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of

the entity's documented hedging strategy); or the hedging relationship no longer meets the risk management objective because of the changes of it; there is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship; or the hedge no longer meets the other criteria for hedge accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Company shall rebalance the hedging relationship.

(d) Recognition and measurement

When meet the strict criteria of hedge accounting method, it shall be accounted for as follows:

(i) Fair value hedge

The gain or loss on the hedging instrument shall be recognised in profit or loss, or other comprehensive income, if the hedging instrument hedges a non-trading equity instrument for which an entity has elected to present changes in fair value in other comprehensive income. The gain or loss on the hedged item that are attributable to a hedged risk exposure shall be recognised in profit or loss and adjust the carrying amount of the hedged item not measured at fair value. If the hedged items are non-trading equity instrument (or a component thereof) designated as fair value through other comprehensive income, gain or loss attributable to a hedged risk exposure shall be recognised in other comprehensive income with no adjustment needed to the carrying amount already measured at fair value.

When a hedged item in a fair value hedge is a financial instrument (or a component thereof) measured at amortised cost, the adjustment of the carrying amount shall be amortised based on a recalculated effective interest rate at the date that amortisation begins and recognised in profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for hedging gains and losses. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, amortisation applies in the same manner but to the amount that represents the cumulative gain or loss previously recognised instead of by adjusting the carrying amount.

When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item arising from the hedged risk subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss. When acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised.

(ii) Cash flow hedges

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be included in the cash flow hedge reserve and recognised in other comprehensive income, and any remaining gain or loss on the hedging instrument (other gain or loss other than

recognised in other comprehensive income) is hedge ineffectiveness that shall be recognised in profit or loss. Cash flow hedge reserve is determined based on the lower of the following two absolute amounts: i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and ii) the cumulative change in present value of the hedged expected future cash flows from inception of the hedge.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve of which previously recognised in other comprehensive income and include it directly in the initial cost or other carrying of the asset or the liability. For cash flow hedges other than above mentioned, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss, for example, in the periods when a forecast sale occurs.

(iii) Net investment hedge in a foreign operation

For hedges of a net investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income and the ineffective portion shall be recognised in profit or loss. The cumulative gain or loss on the hedging instrument recognised in other comprehensive income mentioned above shall be reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

3.34 Repurchase of Company's Share

(a) If the Company reduces its registered capital through repurchase of the Company's share according to the approval required in relevant laws and regulations, the share capital shall be reduced at the par value of the shares deregistered, the difference between the consideration paid for repurchase (including the transaction cost) and the par value of the shares shall adjust the owner's equity. Any excess of the total par value shall offset the capital reserve (share premium), surplus reserve and retained earnings in turn. If the consideration paid is less than the total par value, the difference shall increase the capital reserve (share premium).

(b) Before being deregistered or transferred, shares repurchased by the Company shall be treated as treasury stock and all expenditures of the repurchase shall be recognised as the cost of treasury stock.

(c) Any excess of the income generated from transferring the treasury stock over their cost shall increase the capital reserve (share premium), and any less shall offset the capital reserve (share premium), surplus reserve and retained earnings in turn.

3.35 Asset Backed Securitization

The Company securitizes the future cash flow of assets ("trust property"), trusts the assets to a specific entity, and the entity issues priority asset-backed securities and sub-asset-backed securities to investors. The Company holds part of subordinated asset-backed securities. Subordinated asset-backed securities cannot be transferred until the principal and interest of the

priority asset-backed securities are paid. As an asset service organization, the Company provides management services related to assets and their recovery, and the management of basic contracts and other services. After paying the taxes and related expenses, the trust property shall be used to repay the principal and interest of the priority asset-backed securities first. The Company received relevant income based on the proportion of subordinated asset-backed securities held.

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

(a) Termination of confirmation of asset backed securitization

When the Company has transferred almost all the risks and rewards of the ownership of financial assets, the recognition of the financial asset is terminated, and the difference between the book value of the financial asset and the consideration received due to the transfer is recognized as current profit and loss.

(b) Continuing to confirm asset backed securitization

When the Company retains almost all the risks and rewards of ownership of financial assets, it does not derecognize the financial assets; the consideration received for the transfer of the financial assets is recognized as a liability. In the subsequent accounting period, the company continued to recognize the income of the financial asset and the expenses of its related liabilities.

(c) Continue to be involved in asset backed securitization

If it does not belong to the above two situations, the company will deal with the following two situations:

A. If the Company does not retain control of the financial asset, the confirmation of the financial asset shall be terminated on the transfer date, and the difference between the book value of the financial asset and the consideration received due to the transfer shall be recognized as current profit or loss.

B. If the Company retains control over the financial assets, the relevant assets shall be recognized on the date of transfer according to the extent of their continued involvement in the financial assets, and the relevant liabilities shall be recognized accordingly.

3.36 Restricted Stock

In the equity incentive plan, the Company shall grant restricted shares to the motivated target, and the motivated object first subscribes for the stock. If the subsequent unlocking conditions specified in the equity incentive plan are not met, the Company repurchases the stock at the price agreed in advance. If the restricted shares issued to employees are subject to the procedures for capital increase such as registration in accordance with relevant regulations, at grant date, the Company shall recognise the share capital and capital reserve (share premium) based on the received subscription fees from the employees; treasury stocks and other payables shall be recognised based on the repurchase obligation.

3.37 Assigning of subsidiary between wholly state-owned enterprises and sole state

invested enterprise**(a) Accounting treatment for the transferred-in enterprise**

On the date of obtaining the control of the transferred enterprise, the Company debits the “long-term equity investment” account, according to the relevant amount approved by the state-owned assets supervision and management department, and credits the “capital reserve (capital premium)”. (If the approval specifies it as capital contribution, it should be credited to the “paid-in capital” account, same below).

The consolidated balance sheet of the company is based on the audited book value of assets and liabilities of the transferred enterprise, approved by the state-owned assets supervision and management department, and the changes occurred before the transfer of control of the transferred enterprise. The balance sheet of the transferred enterprise is adjusted accordingly, and the difference between the assets and liabilities of the transferred enterprise, to which it is entitled after adjustment, is recorded as capital reserve (capital premium).

The consolidated profit statement for the current period, in which the Company acquired control of the transferred enterprise, includes the net profit of the transferred enterprise from the benchmark date approved by the state-owned assets supervision and management department to the end of the current period of control transfer.

The consolidated cash flow statement for the period during which the company acquired control of the transferred enterprise includes the cash flows generated by the transferred enterprise from the benchmark date approved by the state-owned assets supervision and management department to the end of the current period of control transfer.

The consolidated statement of changes in owners' equity of the Company includes changes in the owner's equity of the transferred enterprise from the benchmark date approved by the state-owned assets supervision and management department to the end of the current period of control transfer. The consolidated statement of changes in owners' equity can be compiled based on the consolidated balance sheet and consolidated income statement.

(b) Accounting treatment for the transferred-out enterprise

On the date of loss of control over the transferred enterprise, the Company debits the “capital reserve (capital premium)” account, according to the book value of the long-term equity investment of the transferred enterprise (If the approval specifies to offset against paid-in capital, then it should be debited to the “paid-in capital” account, same), and credited to the “long-term equity investment (transferred enterprise)” account; if the capital reserve (capital premium) is insufficient to offset, it should be offset against the surplus reserve and retained earnings in sequence.

On the date of loss of control over the transferred enterprise, the Company will no longer include the transferred enterprise in the scope of the consolidated financial statements, and will terminate the recognition of the assets, liabilities, minority interests and other equity items of the transferred enterprise previously reflected in the consolidated financial statements. The related differences will be offset against capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be

offset in sequence. At the same time, the unrealized internal gains and losses between the Company and the transferred enterprises before the transfer of control should be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, it will be offset against the surplus reserve and retained earnings in sequence.

3.38 Significant Accounting Judgements and Estimates

The Company continuously assesses the significant accounting estimates and key assumptions according to its historical experiences and other elements, including reasonable expectations on the future events. The significant estimates and key assumptions that may result in significant adjustment on the assets and liabilities' carrying value in the following fiscal year are listed as below:

Classification of financial assets

Significant estimates and key assumptions involved in classification of financial assets include determination of business model and contractual cash flow characteristics.

The Company's business model is determined at a level that reflects how groups of financial assets are managed. Evidences that the Company must consider include but not limited to:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of financial assets and their management methods;
- how managers of the business are compensated.

In order to assess whether the contractual cash flows are consistent with a basic lending arrangement, the Company must consider whether the financial asset contains a contractual term that could change the timing or amount of the principal (for example, if the asset can be prepaid before maturity) and whether the interest consists of consideration for time value of the money, credit risk, other basic lending risk and costs, as well as profit margin. For example, the Company shall consider whether the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding as well as reasonable additional compensation for the early termination of the contract.

Measurement of the expected credit loss of accounts receivable and contract assets

The Company calculates the expected credit loss of accounts receivables based on its exposure to credit risk and the expected credit loss rate. The expected credit loss rate is determined based on the probability to default and the loss rate as a result of default. When determining the expected credit loss, the Company uses its historical credit loss experience, modified by considering current condition and forward-looking information. The forward-looking information include risk of economic downturn, external market environment, technology environment and changes in customer's situation, etc. The Company periodically monitors and reviews the assumptions used in calculating the expected credit loss.

Impairment provision for other financial assets

The Company shall assess whether the credit risk on a financial instrument has increased

significantly since initial recognition, through default exposure and the 12-months or lifetime expected credit losses rate, taking reference to historical experience for credit losses. The determination of expected credit losses requires the management to make judgments on whether the credit risk of financial assets has increased significantly since initial recognition and to estimate the contractual cash flows expected to be received. If there is a difference between the re-estimation result and the existing estimate, the difference will affect the profit and the book value of the financial asset during the period when the estimate is changed.

Impairment provision for Goodwill

The Company shall assess whether the goodwill has impaired at least every year, which requires to estimate the value in-use of the group of assets to which the goodwill is allocated. The calculation requires the Company to estimate the future cash flows and discount them at an appropriate rate.

Deferred tax assets

Deferred tax assets shall be recognised for all unused taxable losses to the extent that it is probable that the taxable profits will be available against which unused tax losses can be utilised. It requires management to estimate the time and amount of future taxable profits using plenty of judgment so as to determine the amount to be recognised as deferred tax assets, taking into consideration of the tax planning strategy.

Revenue recognition

The Company's recognition of revenue and profits from shipbuilding contracts that is treat as a performance obligation satisfied over time of the Company's estimate of the contract results and performance progress. Due to the characteristics of shipbuilding contracts, the accounting periods of the contract signing date and project completion date is almost different . If the actual amount of total revenue and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Company in future periods.

3.39 Changes in Significant Accounting Policies and Accounting Estimates

(a) Changes in accounting policies

On 30 November 2022, the Ministry of Finance issued *Interpretation of Accounting Standards for Business Enterprises No.16 (Caikuai[2022] No.31)* (hereinafter referred to as "Interpretation No.16"), in which the provision of "Accounting treatment of deferred tax related to assets and liabilities arising from a single transaction that does not apply the initial recognition exemption" shall be implemented as of 1 January 2023. The Company applied the provision of Interpretation No.16 on 1 January 2023. For the single transaction applicable to Interpretation No.16 that occurred between 1 January 2022 and 1 January 2023, the Company adjusted the related items of financial statements in accordance with the provision of Interpretation No.16. For the taxable and deductible temporary differences arising from the recognition of lease liabilities and right-of-use assets and the recognition of estimated liabilities and the corresponding assets from decommissioning obligations in a single transaction

applicable to Interpretation No.16 as at 1 January 2022, the Company recognised the cumulative effect as an adjustment to retained earnings and other related financial statement items as at 1 January 2022 in accordance with Interpretation No.16 and “Accounting Standard for Business Enterprises No.18--Income Tax”.

The Company retroactively adjusted the relevant items in the consolidated comparative financial statements and the parent company's comparative financial statements for the year ended 31 December 2022 as follows:

Relevant items	31 December 2022 /Year 2022(Consolidation)		31 December 2022/Year 2022(Parent company)	
	Before adjustment	After adjustment	Before adjustment	After adjustment
Balance sheet items:				
Deferred tax assets	3,026,991,339.10	3,148,907,479.65		
Deferred tax liabilities	619,104,223.00	741,020,363.55		

(b) Significant changes in accounting estimates

The Company has no significant changes in accounting estimates for the reporting period.

4. TAXATION

4.1 Major Categories of Tax and Tax Rates Applicable to the Company

Categories of tax	Basis of tax assessment	Tax rate	Note
Value added taxes (VAT)	Incremental income from sales of goods; income from sales of commercial residential buildings	Exempted, 0%, 9%, 13%	
Value added taxes (VAT)	Taxable incremental service	3%, 5%, 6%, 9%, 13%	
Consumption tax	Imported car duty paid price	According to cylinder capacity selected	
Urban maintenance and construction tax	Turnover tax payable	5%, 7%	
Educational surcharge	Turnover tax payable	3%	
Local educational surcharge	Turnover tax payable	2%	
Corporate income tax	Taxable income	25%	Note (i)
Property tax (Self-usage)	Remaining value of real estate after deducting certain percentage from cost by regulations	1.2%	Note (ii)
Property tax (Rental)	Rental income	12%	Note (ii)
Land appreciation tax	Incremental amount	Prescribed tax rate	Note (iii)

Note:

- (i) The subsidiaries registered overseas pay corporate income tax in accordance to local tax policies and tax rates.
- (ii) The self-usage property from the Company and subsidiaries registered in Xiamen are charged for property income tax by 70% of the original cost of property; domestic subsidiaries registered in other areas pay property tax in accordance with local tax policies;
- (iii) The incremental amount of land of the Company pays land incremental tax by 3% and 2% of pre-sale property payment, and settle by actual incremental amount and set tax rate in accordance to relevant regulations, and the balance of prepaid land incremental tax will be refunded or supplemented.

4.2 Tax Preference

The subsidiaries, Shaanxi Xiangdao Logistics Co., Ltd., Chengdu Qingbaijiang Xiangdao Logistics Co., Ltd., Xinjiang Xiangdao Logistics Co., Ltd., Qinghai Xiangdao Logistics Co., Ltd., and Yulin Xiangdao Logistics Co., Ltd., belong to the enterprises located in the preferential tax area of the Western Development, and their main business is in accordance with the provisions in the *"Catalogue of Encouraged Industries in Western Regions"* For industrial projects, upon application and review and confirmation by the competent tax authority in accordance with regulations, the enterprise income tax may be paid at a reduced rate of 15% for current year.

On 12 December 2022, the subsidiary Xiamen Xiangyu Intelligent Technology Co., Ltd. received the "High-tech Enterprise Certificate" jointly issued by Xiamen Science and Technology Bureau, Xiamen Municipal Bureau of Finance, and State Taxation Bureau Xiamen Taxation Bureau. The certificate number is GR202235101240 and is valid for three years. The company will pay corporate income tax at a reduced rate of 15% from 2022 to 2024.

On 17 November 2022, the subsidiary Xiamen Xiangyu Technology Co., Ltd received the "High-tech Enterprise Certificate" jointly issued by Xiamen Science and Technology Bureau, Xiamen Municipal Bureau of Finance, and State Taxation Bureau Xiamen Taxation Bureau. The certificate number is GR202235100482 and is valid for three years. The company will pay corporate income tax at a reduced rate of 15% from 2022 to 2024.

According to Caishui [2020] No. 31 *"Notice by the Ministry of Finance and the State Taxation Administration of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port"*, for enterprises in encouraged industries registered in Hainan Free Trade Port and operating substantially, a reduced tax rate of 15% will be imposed on corporate income tax. The subsidiary Hainan Xiangyu Supply Chain Technology Co., Ltd. is eligible for this preferential policy in the year 2023.

According to *"Announcement Regarding the Clarification of Value-Added Tax Reductions and Exemptions for Small-Scale Taxpayers"* (Announcement No.1 [2023] of the Ministry of Finance and the State Taxation Administration), other relevant matters regarding the application of the additional deduction policy can be adopted by taxpayers from 1 January 2023 to 31 December 2023. According to *"Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for*

Deepening the Value-Added Tax Reform" (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs) and *"Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the Additional Value-Added Tax Credit Policy for the Life Service Industry"* (Caishui [2019] No. 87), taxpayers in the production and living service industries are allowed to add 5% or 10% to the amount of deductible input tax for the current period to offset the tax payable. Some subsidiaries apply this policy for 2023.

According to *"Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises"* (Caishui [2019] No. 13), the annual taxable income of a small low-profit enterprise that is not more than RMB 1 million shall be included in the taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%; and the annual taxable income that is not less than 1 million yuan nor more than 3 million yuan shall be included in the taxable income at the reduced rate of 50%, with the applicable enterprise income tax rate of 20%.

According to *"the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households"* (No. 12 [2023]), the annual taxable income of a small low-profit enterprise at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%, which is extended until 31 December 2027. Some subsidiaries apply this policy for 2023.

5. Scope of Consolidation

5.1 Incorporated subsidiaries of the Company

No.	Name of Subsidiaries	Level	Nature of the company	Registered address	Operation address	Nature of the business
1	Xiamen Xiangyu Investment Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Asset management
2	Hongkong Xiangyu Investment Co., limited	2	Overseas Non-financial	Hong Kong	Hong Kong	Investment
3	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Finance
4	Xiangyu Real Estate Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Real estate development
5	Xiamen Xiangyu Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Bulk commodity procurement supply and integrated logistics
6	Heilongjiang Jinxiang Biochemical Co., Ltd.	2	Domestic Non-financial	Harbin	Harbin	Manufacturing
7	Xiamen Xiangyuxinghong Technologies Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Manufacturing
8	Xiamen Xiangsheng Nickel Industry Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Trading
9	Xiamen Xiangyu Construction Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Investment, business management
10	Xiamen Xiangyu Chuangsheng Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
11	Hong Kong Xiangyu Caiyi CO., Limited	2	Overseas Non-financial	Hong Kong	Hong Kong	Trading
12	Xiamen Railway Logistics Investment Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Land development

No.	Name of Subsidiaries	Level	Nature of the company	Registered address	Operation address	Nature of the business
13	Xiamen Xiangcai Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
14	Xiamen Xiangchen Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
15	Fujian Xiangyu Shell Oil Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Trading
16	Xiamen International Cruise Home Port Group Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Development and construction of cruise terminal
17	Xiamen Xiangyu Free Trade Zone Development Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Real estate development
18	Xiamen Xinweitian Corporate Management Co., Ltd.	2	Domestic Non-financial	Xiamen	Xiamen	Investment, business management
19	Xiamen Xiangkun Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
20	Xiamen Xiangjiu Investment Partnership (Limited Partnership)	2	Domestic Non-financial	Xiamen	Xiamen	Investment
21	Xiangjiaying Investment Consulting Co., Ltd.	2	Overseas Non-financial	British Virgin Islands	British Virgin Islands	Investment

(Continued)

No.	Name of Subsidiaries	Share capital	Percentage of equity interests in the Company		Voting rights in the Company	Acquisition Method
			Direct	Indirect		
1	Xiamen Xiangyu Investment Co., Ltd.	108,689,107.00	100.00%		100.00%	Investment establishment
2	Hongkong Xiangyu Investment Co., Limited	USD 9,991,510.30	100.00%		100.00%	Investment establishment
3	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	4,380,000,000.00	100.00%		100.00%	Investment establishment
4	Xiangyu Real Estate Group Co., Ltd.	3,181,558,590.92	100.00%		100.00%	Investment establishment
5	Xiamen Xiangyu Co., Ltd.	2,268,205,992.00	50.46%	1.34%	51.80%	Others
6	Heilongjiang Jinxiang Biochemical Co., Ltd.	2,277,953,993.42	69.52%		69.52%	Investment establishment
7	Xiamen Xiangyuxinghong Technologies Co., Ltd.	312,800,000.00	51.00%		51.00%	Investment establishment
8	Xiamen Xiangsheng Nickel Industry Co., Ltd.	5,550,000,000.00	51.00%		51.00%	Investment establishment
9	Xiamen Xiangyu Construction Group Co., Ltd.	520,000,000.00	100.00%		100.00%	Investment establishment
10	Xiamen Xiangyu Chuangsheng Investment Partnership (Limited Partnership)	5,000,000.00		85.00%	85.00%	Business combinations not under common control
11	Hong Kong Xiangyu Caiyi CO., Limited	USD10,000,000.00	100.00%		100.00%	Investment establishment
12	Xiamen Railway Logistics Investment Co., Ltd.	200,000,000.00	100.00%		100.00%	Business combinations not under common control
13	Xiamen Xiangcai Investment Partnership (Limited Partnership)	2,145,000,000.00	30.02%	0.05%	30.07%	Investment establishment

No.	Name of Subsidiaries	Share capital	Percentage of equity interests in the Company		Voting rights in the Company	Acquisition Method
			Direct	Indirect		
14	Xiamen Xiangchen Investment Partnership (Limited Partnership)	2,501,000,000.00	39.98%	0.04%	40.02%	Investment establishment
15	Fujian Xiangyu Shell Oil Co., Ltd.	1,200,000,000.00	51.00%		51.00%	Business combinations not under common control
16	Xiamen International Cruise Home Port Group Co., Ltd.	598,300,000.00	100.00%		100.00%	Others
17	Xiamen Xiangyu Free Trade Zone Development Co., Ltd.	316,475,500.00	100.00%		100.00%	Investment establishment
18	Xiamen Xinweitian Corporate Management Co., Ltd.	39,030,000.00	100.00%		100.00%	其他
19	Xiamen Xiangkun Investment Partnership (Limited Partnership)	765,805,056.00	4.96%	95.04%	100.00%	Investment establishment
20	Xiamen Xiangjiu Investment Partnership (Limited Partnership)		40.11%	59.89%	100.00%	Investment establishment
21	Xiangjiaying Investment Consulting Co., Ltd.		100.00%		100.00%	Investment establishment

5.2 The reason of invested entities which the parent holds less than 50% of share while still sufficient to impose control

The Company holds less than 50% (including 50%) of the equity interest of the 27 investees, and the Company has more than half of the voting rights on its board of directors or partners' meetings, and the Company has substantial control over the investees. Therefore, the investee is included in the scope of consolidation.

Besides, according to the "Management Rights Custody Agreement", the subsidiary Xiangdao Logistics Co., Ltd. (hereinafter referred to as "Xiangdao Logistics") has all the rights to the daily operation and management of Guiyang Xiangdao Logistics Co., Ltd., any income from Guiyang Xiangdao Logistics Co., Ltd., as well as any losses borne by Xiangdao Logistics. Xiangdao Logistics has control over Guiyang Xiangdao Logistics Co., Ltd..

5.3 The reason of invested entities which the parent holds more than 50% of share directly or indirectly via subsidiaries while still not sufficient to impose control

No.	Name of Subsidiaries	Percentage of equity interest in the Company	Voting rights in the Company	Register Capital (million)	Invested Capital (million)	Level	Reason for included in scope of consolidation
1	Xiamen Xiangyu International Trading Development Co.	100.00%	100.00%	6.00	6.00	2	Under liquidation and lost control

5.4 Significant non-wholly owned subsidiaries

(i) Non-controlling Interest

Company Name	Non-controlling Interest	Current Profit or Loss belongs to Non-controlling Interest
Xiamen Xiangyu Co., Ltd.	48.20%	29,136,488,922.58

(ii) Significant financial information

Items	Xiamen Xiangyu Co., Ltd.	
	31 December 2023	31 December 2022
Current assets	110,832,959,351.52	97,223,403,113.80
Non-current assets	18,872,227,308.07	17,895,803,596.30
Total assets	129,705,186,659.59	115,119,206,710.10
Current liabilities	88,012,861,892.38	70,972,105,948.44
Non-current liabilities	4,499,922,099.92	7,755,472,134.13
Total liabilities	92,512,783,992.30	78,727,578,082.57

(Continued)

Items	Xiamen Xiangyu Co., Ltd.	
	2023	2022
Revenue	459,035,453,794.73	538,148,064,112.58
Net profit	2,313,882,549.57	3,777,995,695.58
Total Comprehensive Income	2,349,171,117.09	4,022,298,869.84
Cash Flow from Operating Activities	5,586,548,572.79	6,222,992,793.89

5.5 Subsidiaries no longer within the scope of consolidation

40 subsidiaries are no longer within the scope of consolidation due to liquidation, and 6 subsidiaries are no longer included in the scope of consolidation due to loss of control.

5.6 Subsidiaries newly add to the scope of consolidation

49 newly established subsidiaries are included in the scope of consolidation during the current period, of which 4 subsidiaries were acquired not under common control

5.7 Business combination involving enterprises not under common control

(a) Business combination not under common control during the reporting period

Name of the acquirees	Date of acquiring the equity interests	Acquisition costs	Interest acquired
Suzhou Gaochen Real Estate Co., Ltd.	July 2023	125,897,646.54	100.00
Zhenjiang Xiangyu Taihe Mining Technology Co., Ltd.	January 2023	275,880.00	55.00
Xiamen Yingxin Automobile Trade Co., Ltd.	April 2023	278,246.24	100.00
PT GEOMINERAL INTI PERKASA	November 2023	1,552,334.08	70.00

(Continued)

Name of the acquirees	Acquisition date	Revenue of the acquirees from the acquisition date to the end of the reporting period	Net profits of the acquirees from the acquisition date to the end of the reporting period
Suzhou Gaochen Real Estate Co., Ltd.	July 2023		-2,579,851.58
Zhenjiang Xiangyu Taihe Mining Technology Co., Ltd.	January 2023	1,510,904,815.02	53,335,290.82
Xiamen Yingxin Automobile Trade Co., Ltd.	April 2023	2,892,881.15	1,289,575.20
PT GEOMINERAL INTI PERKASA	November 2023		

(b) Combination costs and goodwill

Item	Companies not under common control included in the scope of consolidation
Combination costs	
Cash	128,004,106.86
Fair value of the equity interest held before acquisition date	
Total combination costs	128,004,106.86
Less: Fair value of the share of net identifiable assets acquired	128,564,736.47
Difference between goodwill/ combination costs and fair value of the share of net identifiable assets acquired	-560,629.61

(c) Identifiable assets and liabilities of the acquirees as at the acquisition date

Item	Companies not under common control included in the scope of consolidation	
	Fair value	Carrying amount
Current assets	1,383,568,876.41	1,351,069,390.65
Non-current assets	93,216,500.61	83,784,462.19
Current liabilities	1,344,895,767.55	1,344,895,767.55
Non-current liabilities	2,433,866.97	
Net assets	129,455,742.50	89,958,085.29
Less: Non-controlling interests	891,006.03	-1,951,906.26
Acquired net assets	128,564,736.47	91,909,991.55

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 Monetary funds

Items	31 December 2023	31 December 2022
Cash on hand	648,735.69	9,301,541.14
Cash in bank	31,142,819,098.47	29,874,756,651.67
Other monetary funds	6,833,708,942.48	8,313,123,329.43

Items	31 December 2023	31 December 2022
Total	37,977,176,776.64	38,197,181,522.24

Note: As at 31 December 2023, a total of RMB 5,340,878,303.56, including deposits, frozen funds, pre-sale escrow accounts, term deposit certificates, and accrued interest are not included as cash and cash equivalents in the cash flow statement. Except for that, no other monetary funds are restricted to use due to the mortgage, pledge or difficult to transfer back due to overseas bank account.

6.2 Financial Assets Held-for-trading

Items	31 December 2023	31 December 2022
Financial assets at fair value through profit or loss	6,941,402,825.37	4,628,076,347.00
Including: Wealth management products	2,593,055,446.77	1,691,984,489.98
Asset package	2,237,443,232.96	865,262,743.85
Financial Products-ABS- Asset Supported Special Plan	16,000,000.00	31,996,998.00
Asset Backed Commercial Note		7,000,000.00
Equity instrument investment	1,940,072,298.30	1,973,932,849.29
Contingent consideration recognized in business combination not under common control	154,831,847.34	57,899,265.88
Total	6,941,402,825.37	4,628,076,347.00

6.3 Derivative Financial Assets

Items	31 December 2023	31 December 2022
i. Derivative financial assets without designated hedging relationship		
Foreign exchange options contract	166,923,386.89	24,655,369.10
Futures contract	67,802,522.69	50,705,251.01
Forward exchange contract	18,162,348.55	52,242,978.13
Foreign exchange swap	9,909,246.51	
Commodity options contract	7,590,900.69	3,183,267.63
Stock options contract	3,240,887.08	
Precious Metal Trading Contract		443,264.58
ii. Hedging instruments		
Commodity futures contracts	19,550,562.61	7,106,934.39
Foreign exchange derivatives	11,900,849.14	
Total	305,080,704.16	138,337,064.84

6.4 Notes Receivable

(a) Notes receivable by category

Items	31 December 2023			31 December 2022		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Bank acceptance bills	264,243,415.56		264,243,415.56	281,308,719.83		281,308,719.83
Commercial acceptance bills	545,135,515.99	6,196,718.55	538,938,797.44	186,963,763.21	1,869,637.63	185,094,125.58
Total	809,378,931.55	6,196,718.55	803,182,213.00	468,272,483.04	1,869,637.63	466,402,845.41

(b) Pledged notes receivable at 31 December 2023

Items	Pledged amount
Commercial acceptance bills	388,581,439.33

Notes: As at 31 December 2023, the pledged commercial acceptance bills that have been endorsed but have not yet expired are RMB 247,886,697.06, and the pledged commercial acceptance bills that have been discounted but have not yet expired are RMB 140,694,742.27.

(c) Notes receivable discounted or endorsed to third parties but not yet matured at 31 December 2023

Items	Amount derecognised as at the end of the reporting period	Amount not derecognised as at the end of the reporting period
Commercial acceptance bills		388,581,439.33
Bank acceptance bills		238,123,737.63
Total		626,705,176.96

(d) Notes receivable by bad debt provision method

Category	31 December 2023				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually					
Provision for bad debt recognised by groups	809,378,931.55	100.00	6,196,718.55	0.77	803,182,213.00
Including: Group 1	545,135,515.99	67.35	6,196,718.55	1.14	538,938,797.44
Group 2	264,243,415.56	32.65			264,243,415.56
Total	809,378,931.55	100.00	6,196,718.55	0.77	803,182,213.00

(Continued)

Category	31 December 2022				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually					
Provision for bad debt recognised by groups	468,272,483.04	100.00	1,869,637.63	0.40	466,402,845.41
Including: Group 1	186,963,763.21	39.93	1,869,637.63	1.00	185,094,125.58
Group 2	281,308,719.83	60.07			281,308,719.83
Total	468,272,483.04	100.00	1,869,637.63	0.40	466,402,845.41

(e) Changes of provision for bad debt during the reporting period

Category	31 December 2022	Changes during the reporting period			31 December 2023
		Provision	Recovery or reversal	Elimination or write-off	
Commercial acceptance bills	1,869,637.63	4,327,080.92			6,196,718.55

6.5 Accounts Receivable

(a) Accounts receivable by aging

Aging	31 December 2023	31 December 2022
Within one year	17,322,389,810.23	13,368,390,571.03
1-2 years	326,428,340.45	334,553,293.59
2-3 years	194,377,280.23	57,936,680.18
3-4 years	52,530,529.36	12,649,244.55
4-5 years	11,024,573.33	168,621,857.93
Over 5 years	356,507,859.15	208,448,125.03
Subtotal	18,263,258,392.75	14,150,599,772.31
Less: provision for bad debt	816,112,523.16	624,580,371.01
Total	17,447,145,869.59	13,526,019,401.30

Note: As at 31 December 2023, please refer to Note 6.69 for the pledge of accounts receivable of the Company.

(b) Accounts receivable by bad debt provision method

Category	31 December 2023				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	536,810,333.78	2.94	507,945,666.41	94.62	28,864,667.37

Category	31 December 2023				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised by groups	17,726,448,058.97	97.06	308,166,856.75	1.74	17,418,281,202.22
Including: Group 1	811,944,415.75	4.45	26,819,152.32	3.30	785,125,263.43
Group 2	16,466,790,987.35	90.16	281,347,704.43	1.71	16,185,443,282.92
Group 3	447,712,655.87	2.45			447,712,655.87
Total	18,263,258,392.75	100.00	816,112,523.16	4.47	17,447,145,869.59

(Continued)

Category	31 December 2022				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	408,323,470.91	2.89	382,643,803.54	93.71	25,679,667.37
Provision for bad debt recognised by groups	13,742,276,301.40	97.11	241,936,567.47	1.76	13,500,339,733.93
Including: Group 1	768,677,918.20	5.43	24,472,358.64	3.18	744,205,559.56
Group 2	12,549,719,542.79	88.68	217,464,208.83	1.73	12,332,255,333.96
Group 3	423,878,840.41	3.00			423,878,840.41
Total	14,150,599,772.31	100.00	624,580,371.01	4.41	13,526,019,401.30

(c) Changes of provision for bad debt during the reporting period

Category	31 December 2022	Changes during the reporting period				31 December 2023
		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised individually	382,643,803.54	152,023,393.53	24,693,776.52	2,973,721.59	945,967.45	507,945,666.41
Provision for bad debt recognised by groups	241,936,567.47	63,879,005.92		459,178.41	2,810,461.77	308,166,856.75
Total	624,580,371.01	215,902,399.45	24,693,776.52	3,432,900.00	3,756,429.22	816,112,523.16

(e) Top five closing balances by entity

Entity name	Balance of accounts receivable as at 31 December 2023	Balance of contract assets as at 31 December 2023	Balance of accounts receivable and contract assets as at 31 December 2023	Proportion of the balance to the total accounts receivable and contract assets (%)	Provision for bad debt of accounts receivable and contract assets
Client 1	687,402,100.88		687,402,100.88	3.63	6,874,021.01
Client 2	575,966,621.64		575,966,621.64	3.04	5,759,666.22
Client 3		484,133,357.41	484,133,357.41	2.56	484,133.36
Client 4	461,731,045.43		461,731,045.43	2.44	4,617,310.46
Client 5	450,903,576.85		450,903,576.85	2.38	4,509,035.77
Total	2,176,003,344.80	484,133,357.41	2,660,136,702.21	14.06	22,244,166.82

6.6 Accounts Receivable Financing

Items	Fair value as at 31 December 2023	Fair value as at 31 December 2022
Notes receivable	447,960,327.22	379,972,401.56
Accounts receivable	145,946,746.98	1,211,721,659.06
Total	593,907,074.20	1,591,694,060.62

Note: As at 31 December 2023, please refer to Note 6.69 for the pledge of accounts receivable financing of the Company.

6.7 Advances to Suppliers

(a) Advances to suppliers by aging

Aging	31 December 2023		31 December 2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within one year	24,505,696,449.88	97.08	17,547,606,125.61	99.14
1 to 2 years	632,311,436.22	2.50	67,793,363.33	0.38
2 to 3 years	37,244,244.68	0.15	8,775,557.42	0.05
Over 3 years	67,189,642.41	0.27	76,978,856.99	0.43
Total	25,242,441,773.19	100.00	17,701,153,903.35	100.00

(b) Top three closing balances by entity

Entity name	Balance as at 31 December 2023	Proportion of the balance to the total advances to suppliers (%)
Client 1	4,945,344,024.86	19.59
Client 2	2,390,149,948.39	9.47
Client 3	1,369,524,164.36	5.43
Total	8,705,018,137.61	34.49

6.8 Other Receivables

(a) Other receivables by category

Items	31 December 2023	31 December 2022
Interest receivable		82,795,810.21
Dividend receivable	49,709,350.77	110,459,678.07
Other receivables	22,288,391,161.22	16,714,897,054.39
Total	22,338,100,511.99	16,908,152,542.67

(b) Interest receivable

Items	31 December 2023	31 December 2022
Loans interest		84,056,660.11
Less: Provision for bad debt		1,260,849.90
Total		82,795,810.21

(c) Dividends receivable

Items (or the investees)	31 December 2023	31 December 2022
Xiamen Xiangyuan Investment Partnership (Limited Partnership)	21,553,455.26	
Hebei Risun Coking Ltd.	20,000,000.00	19,500,000.00
Xiamen Hongyu Supply Chain Co., Ltd.	8,155,895.51	9,772,007.84
Xiamen Xiangsheng Investment Partnership (L.P.)		77,912,230.75
Xiamen Yingxin Automobile Trade Co., Ltd.		1,227,065.89
Xiamen Xiangrun Investment Partnership (Limited Partnership)		2,038,661.33
Xiamen Xiangying Investment Partnership (Limited Partnership)		9,712.26
Subtotal	49,709,350.77	110,459,678.07
Less: Provision for bad debt		
Total	49,709,350.77	110,459,678.07

(d) Other Receivables

(i) Other receivables by aging

Aging	31 December 2023	31 December 2022
Within one year	11,684,402,029.19	13,129,908,458.98
1-2 years	8,498,505,132.54	1,123,085,303.81
2-3 years	786,915,736.18	1,774,927,711.42
3-4 years	1,720,473,695.89	394,610,503.53
4-5 years	387,824,160.62	119,264,533.70
Over 5 years	1,004,404,890.07	989,986,924.45

Aging	31 December 2023	31 December 2022
Subtotal	24,082,525,644.49	17,531,783,435.89
Less: provision for bad debt	1,794,134,483.27	816,886,381.50
Total	22,288,391,161.22	16,714,897,054.39

(ii) Other receivables by bad debt provision method

A. As at 31 December 2023, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	19,954,709,979.41	259,093,245.89	19,695,616,733.52
Stage 2	228,830,301.61	52,184,037.07	176,646,264.54
Stage 3	3,898,985,363.47	1,482,857,200.31	2,416,128,163.16
Total	24,082,525,644.49	1,794,134,483.27	22,288,391,161.22

B. As at 31 December 2022, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	14,812,273,129.64	87,567,622.05	14,724,705,507.59
Stage 2	2,032,929,354.11	48,146,230.14	1,984,783,123.97
Stage 3	686,580,952.14	681,172,529.31	5,408,422.83
Total	17,531,783,435.89	816,886,381.50	16,714,897,054.39

(iii) Changes of provision for bad debt during the reporting period

Category	31 December 2022	Changes during the reporting period				31 December 2023
		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised individually	689,523,767.18	729,075,467.37	16,184,113.77	22,153,625.83	4,620,736.08	1,384,882,231.03
Provision for bad debt recognised by groups	127,362,614.32	283,701,663.98		1,728,291.00	-83,735.06	409,252,252.24
Total	816,886,381.50	1,012,777,131.35	16,184,113.77	23,881,916.83	4,537,001.02	1,794,134,483.27

(iv) Top five closing balances by entity

Entity name	Nature	Balance as at 31 December 2023	Aging	Proportion of the balance to the total other receivables (%)
Client 1	Intercourse trading funds	47,390,043.91	Within one year	0.20
		1,825,465,982.10	1-2 years	7.58
Client 2	Intercourse	134,500,000.00	Within one year	0.56

Entity name	Nature	Balance as at 31 December 2023	Aging	Proportion of the balance to the total other receivables (%)
	funds	1,667,135,114.00	1-2 years	6.92
Client 3	Intercourse funds	168,199,274.79	Within one year	0.70
		1,287,000,000.00	1-2 years	5.34
		193,550,000.00	2-3 years	0.80
Client 4	Intercourse funds	1,255,380,000.00	Within one year	5.21
		392,000,000.00	1-2 years	1.63
Client 5	Intercourse funds	1,385,525,986.25	Within one year	5.75
Total		8,356,146,401.05		34.69

6.9 Inventories

(a) Inventories by category

Items	31 December 2023			31 December 2022		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Raw materials	8,591,386,129.44	14,711,481.83	8,576,674,647.61	10,821,837,181.55	22,550,733.57	10,799,286,447.98
Finished goods	27,584,991,607.70	530,747,635.87	27,054,243,971.83	29,474,456,102.20	802,841,154.49	28,671,614,947.71
Development cost	63,204,351,579.67	241,417,111.71	62,962,934,467.96	48,605,740,268.60	57,456,522.18	48,548,283,746.42
Development product	2,708,282,081.53	69,488,937.34	2,638,793,144.19	1,719,253,441.93	9,708,315.98	1,709,545,125.95
Semi-finished goods	1,944,533,331.45		1,944,533,331.45	1,468,247,577.44		1,468,247,577.44
Low-value consumables and others	29,706,790.98		29,706,790.98	26,147,875.70		26,147,875.70
Cost to fulfill a contract	963,905,426.12		963,905,426.12	323,095,965.49		323,095,965.49
Consumptive biological assets	164,435,976.96	5,635,003.57	158,800,973.39	159,204,167.01	7,129,003.78	152,075,163.23
Consigned processing material	153,291,922.36	74,127.20	153,217,795.16	824,664,732.26		824,664,732.26
Goods shipped in transit	87,420,494.97	6,885.65	87,413,609.32	36,506,338.90	1,158,232.21	35,348,106.69
Work in progress	58,257,097.77		58,257,097.77	70,417,905.84	1,047,891.19	69,370,014.65
Total	105,490,562,438.95	862,081,183.17	104,628,481,255.78	93,529,571,556.92	901,891,853.40	92,627,679,703.52

Note: As at 31 December 2023, please refer to Note 6.69 for the pledge of inventories of the Company.

(b) Provision for impairment

Items	31 December 2022	Increase during the reporting period		Decrease during the reporting period		31 December 2023
		Provision	Others	Reversal or elimination	Others	
Raw materials	22,550,733.57	13,816,785.34		21,656,037.08		14,711,481.83
Finished goods	802,841,154.49	479,012,061.11	3,402.60	751,108,982.33		530,747,635.87
Development cost	57,456,522.18	183,960,589.53				241,417,111.71
Development product	9,708,315.98	76,691,663.22		16,911,041.86		69,488,937.34
Cost to fulfill a contract	7,129,003.78			1,494,000.21		5,635,003.57
Consumptive biological assets		74,127.20				74,127.20
Goods shipped in transit	1,158,232.21	6,885.65		1,158,232.21		6,885.65
Work in progress	1,047,891.19			1,047,891.19		
Total	901,891,853.40	753,562,112.05	3,402.60	793,376,184.88		862,081,183.17

6.10 Contract Assets

(a) Details of contract assets

Items	31 December 2023		
	Book balance	Provision for impairment	Carrying amount
Provision for bad debt recognised individually			
Provision for bad debt recognised by groups	652,822,314.68	1,412,500.08	651,409,814.60
Including: Group 1	569,535,840.89	569,535.84	568,966,305.05
Group 2	82,442,619.75	842,964.24	81,599,655.51
Group 3	843,854.04		843,854.04
Total	652,822,314.68	1,412,500.08	651,409,814.60

(Continued)

Items	31 December 2022		
	Book balance	Provision for impairment	Carrying amount
Provision for bad debt recognised individually			
Provision for bad debt recognised by groups	756,515,974.23	1,288,786.78	755,227,187.45
Including: Group 1	706,190,261.08	706,190.26	705,484,070.82
Group 2	48,993,632.09	582,596.52	48,411,035.57
Group 3	1,332,081.06		1,332,081.06
Total	756,515,974.23	1,288,786.78	755,227,187.45

(b) Changes of provision for impairment during the reporting period

Category	31 December 2022	Provision	Recovery or reversal	Elimination or write-off	31 December 2023
Group 1	706,190.26		136,654.42		569,535.84
Group 2	582,596.52	260,367.72			842,964.24
Total	1,288,786.78	260,367.72	136,654.42		1,412,500.08

6.11 Non-current Assets Maturing within One Year

Items	31 December 2023	31 December 2022
Debt investment maturing within one year	3,079,866,722.58	2,890,412,623.63
Long-term receivables maturing within one year	222,116,601.02	1,046,426,697.76
Time deposit maturing within one year		404,510,890.44
Cooperative planting payment maturing within one year	3,940,044.00	36,900,641.12
Subtotal	3,305,923,367.60	4,378,250,852.95
Less: provision for bad debt	280,791,080.54	275,925,039.27
Total	3,025,132,287.06	4,102,325,813.68

6.12 Other Current Assets

Items	31 December 2023	31 December 2022
Loan	1,042,529,182.74	1,994,837,415.53
Asset package	1,695,448,344.60	1,992,293,330.01
Entrusted loan	9,773,659.77	540,990,233.21
Prepaid tax and deductible tax	5,134,136,067.75	2,518,156,809.40
Time deposit	4,863,728,656.01	2,838,873,929.63
Factoring receivable	3,672,993,672.69	975,894,950.35
Cost to obtain a contract	260,127,228.16	136,744,944.32
Hedged item from firm commitment for purchased commodities	14,513,861.69	61,763,749.11
Hedged item from firm commitment for sold commodities	39,688,073.56	741,290.26
Others	9,031,952.09	9,663,561.24
Subtotal	16,741,970,699.06	11,069,960,213.06
Less: provision for bad debt	53,278,985.45	44,808,716.41
Total	16,688,691,713.61	11,025,151,496.65

6.13 Debt Investment

(a) General information of debt investment

Items	31 December 2023		
	Book balance	Provision for loss allowance	Carrying amount
Entrusted loan and other loans	5,448,734,587.21	328,526,654.22	5,120,207,932.99

Items	31 December 2023		
	Book balance	Provision for loss allowance	Carrying amount
Others	415,752,042.85		415,752,042.85
Subtotal	5,864,486,630.06	328,526,654.22	5,535,959,975.84
Less: Debt investment maturing within one year	3,079,866,722.58	261,540,210.62	2,818,326,511.96
Total	2,784,619,907.48	66,986,443.60	2,717,633,463.88

(Continued)

Items	31 December 2022		
	Book balance	Provision for loss allowance	Carrying amount
Entrusted loan and other loans	6,838,301,049.86	341,206,791.57	6,497,094,258.29
Others	400,633,345.94		400,633,345.94
Subtotal	7,238,934,395.80	341,206,791.57	6,897,727,604.23
Less: Debt investment maturing within one year	2,890,412,623.63	260,228,638.80	2,630,183,984.83
Total	4,348,521,772.17	80,978,152.77	4,267,543,619.40

(b) Provision for loss allowance under three stages model

(i) As at 31 December 2023, provisions for loss allowance recognised based on three stages model are as following:

Stages	Book balance	Provision for loss allowance	Carrying amount
Stage 1	2,645,102,934.35	25,169,688.97	2,619,933,245.38
Stage 2			
Stage 3	139,516,973.13	41,816,754.63	97,700,218.50
Total	2,784,619,907.48	66,986,443.60	2,717,633,463.88

(ii) As at 31 December 2022, provisions for loss allowance recognised based on three stages model are as following:

Stages	Book balance	Provision for loss allowance	Carrying amount
Stage 1	4,194,081,599.04	36,090,118.14	4,157,991,480.90
Stage 2			
Stage 3	154,440,173.13	44,888,034.63	109,552,138.50
Total	4,348,521,772.17	80,978,152.77	4,267,543,619.40

(c) Changes of provision for loss allowance during the reporting period

Category	31 December 2022	Changes during the reporting period			31 December 2023
		Provision	Recovery or reversal	Elimination or Write-off	
Entrusted loan and other loans	80,978,152.77	-13,991,709.17			66,986,443.60

6.14 Long-term Receivables

(a) General information of long-term receivables

Items	31 December 2023		
	Book balance	Provision for bad debt	Carrying amount
Finance leases	2,921,247,194.68	43,983,406.20	2,877,263,788.48
Including: unrealised finance income	722,113,374.45		722,113,374.45
Financial lease deposit receivable	3,220,000.00		3,220,000.00
Reserve fund for restructuring	73,704,902.70		73,704,902.70
Subtotal	2,998,172,097.38	43,983,406.20	2,954,188,691.18
Less: Long-term receivable due within 1 year	222,116,601.02	19,250,869.92	202,865,731.10
Total	2,776,055,496.36	24,732,536.28	2,751,322,960.08

(Continued)

Items	31 December 2022		
	Book balance	Provision for bad debt	Carrying amount
Finance leases	3,065,820,500.79	46,217,794.26	3,019,602,706.53
Including: unrealised finance income	757,460,243.75		757,460,243.75
Financial lease deposit receivable	1,000,000.00		1,000,000.00
Reserve fund for restructuring	73,704,902.70		73,704,902.70
Subtotal	3,140,525,403.49	46,217,794.26	3,094,307,609.23
Less: Long-term receivable due within 1 year	1,046,426,697.76	15,696,400.47	1,030,730,297.29
Total	2,094,098,705.73	30,521,393.79	2,063,577,311.94

(b) Long-term receivables by bad debt provision method

(i) As at 31 December 2023, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	2,776,055,496.36	24,732,536.28	2,751,322,960.08

(ii) As at 31 December 2022, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	2,094,098,705.73	30,521,393.79	2,063,577,311.94

(b) Changes of provision for bad debt during the reporting period

Category	31 December 2022	Changes during the reporting period			31 December 2023
		Provision	Recovery or reversal	Elimination or Write-off	
Finance leases	30,521,393.79	5,430,290.45		11,219,147.96	24,732,536.28

6.15 Long-term Equity Investments

Investees	31 December 2022	Changes during the reporting period						31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit		
1. Joint ventures									
Cystal Idea Management Limited	693,021,023.54			-95,154,608.37				597,870,415.17	
Suzhou Xiangyu Real Estate Co., Ltd.	588,393,569.54			-2,374,571.57				585,521,047.87	
Xianren Xiangyang Investment Co., Ltd.	204,404,562.75			1,183,308.25	-9,217,508.85			196,370,362.15	
Nanping Ruiheng Real Estate Co., Ltd.	116,240,683.02			-1,309,019.15			65,341,994.78	49,589,669.09	
Fuzhou Fengshunxiang Investment Co., Ltd.	107,279,771.52			-11,357,903.59	-2,044,309.36			93,877,558.57	
Fujian Xiangyu Real Estate Development Co., Ltd.	62,371,181.26			-3,864,664.31			710,463.19	57,796,053.76	
Kunshan Xierui Real Estate Development Co., Ltd.	53,315,170.37			-2,587,740.80				50,727,429.57	
Nanning Hemeng Real Estate Development Co., Ltd.	20,916,727.19			-283,220.79				20,633,506.40	
Xianren Xiangling Tourist Investment Operation Co., Ltd.	11,253,882.01			-4,709,222.99				6,544,659.02	

Investees	31 December 2022	Changes during the reporting period							31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	8,036,379.76			-1,822,648.72					6,213,731.04	
Fujian Youhao Supply Chain Management Co., Ltd.	6,899,692.00			-998,308.77					5,891,383.23	
Fuzhou Dengyuanhu Property Service Co., Ltd.	899,381.02			758,953.03					1,658,334.05	
Subtotal	1,871,028,023.98			-123,019,577.88	-11,261,818.21		66,032,457.97		1,672,694,149.92	
1L Associates										
Xiamen Rural Commercial Bank Co., Ltd.	1,040,232,554.35	126,204,090.00		12,027,283.71	9,926,286.35				1,188,390,124.41	
Fujian Provincial Port Group Co., Ltd.				123,334,983.83	-350,411,562.03	3,003,828.00		5,785,433,428.99	5,561,360,678.79	
Shanghai Zinoyu Real Estate Co., Ltd.	935,441,310.06			1,183,691.35					936,625,001.41	
Fuo Chow Holdings Limited	520,281,608.39			587,235.80					520,868,844.19	
Shanghai Pancheng Real Estate Development Co., Ltd.	512,676,488.16			4,127,357.99			50,000,000.00		466,803,846.15	
Guangdong Aluminium (Shenzhen) Company Limited	501,136,101.47			66,314,926.86	-906,392.00	2,633,429.68			563,911,206.65	
Shanghai Huabao Real Estate Development Co., Ltd.	371,324,759.04		220,500,000.00	944,029.54			112,500,000.00		39,268,788.58	

Investees	31 December 2022	Changes during the reporting period							31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
Harbin Rural Commercial Bank Co., Ltd.	351,174,248.94			15,511,326.48	8,141,435.17	1,401,633.26			376,228,643.85	
Suzhou Yilai Real Estate Development Co., Ltd.	338,270,380.76			-54,124,125.48					284,146,255.28	
Xiamen Chenxin Investment Partnership (Limited Partnership)	336,987,384.00								336,987,384.00	
Xiamen Financial Leasing Co., Ltd.	238,909,613.75			1,947,889.22					236,857,502.97	
Inner Mongolia E-35 Technology Co., Ltd.	208,030,959.38			39,454,021.87	163,508.12		12,600,000.00		235,048,489.37	
Xiamen Modern Terminal Co., Ltd.	176,023,853.14			13,155,717.01	-64,553.33	-116,609.03	13,687,500.00	1,081,958.62	176,394,872.41	
Nanjing Xijiang Real Estate Development Co., Ltd.	161,649,428.35			1,765,611.16					163,415,039.51	
Shanghai Xiangyu Logistics Development Co., Ltd.	155,613,178.96			-129,557.62					155,483,621.34	
Suzhou Rulai Real Estate Development Co., Ltd.	152,206,777.22		190,488,680.25	38,281,903.03						
Xiamen Xiangying Investment Partnership (Limited Partnership)	146,611,183.55		139,480,000.00	182,183.08			7,313,366.63			
Xiamen Liyu Investment Partnership (limited partnership)	118,505,040.68			16,500,000.00					135,005,040.68	
Haolonga Environmental Protection Technology Co., Ltd.	93,538,912.39			15,544,824.02			4,000,000.00		103,083,736.41	
Ruiyu Xingzi Xiangzi Equity Investment Partnership, LLP	78,394,776.25	1,920,000.00	5,990,200.00	-30,805,508.66					43,518,667.59	

Investees	31 December 2022	Changes during the reporting period							31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
Xiamen Hongyu Supply Chain Co., Ltd.	64,340,093.47			-7,127,670.26			8,155,895.51		49,065,527.70	
Xiamen Xiangyun Investment Partnership (Limited Partnership)	54,638,314.66		54,607,000.00	-31,314.66						
Nanjing Nohai Venture Capital Partnership LLP	54,267,997.24			5,316,970.66					59,584,927.90	
Hainan Goldenbridge Insurance Co., Ltd.	53,113,097.58								53,113,097.58	64,916,008.15
Luxia Xialin Economic Development Co., Ltd.	51,841,064.67	8,750,000.00		-29,688,509.35					30,902,555.32	
Shaanxi Airport Ruipeng Xiangyu New Material Venture Capital Fund Partnership (Limited Partnership)	49,686,345.79			759,319.06			272,803.85		50,172,861.00	
Xiamen Xiangsheng Investment Partnership LLP	48,342,000.00		45,342,000.00						3,000,000.00	
Xiamen Xiangyu Juxun Venture Capital Partnership (Limited Partnership)	44,374,267.14		7,500,084.30	651,395.24					37,525,578.08	
Port of Dalian Xiangyu Grain Logistics Co., Ltd.	40,802,301.91			18,120.50					40,820,422.41	
Jiangsu Pingqunyingong Equity Investment Partnership (Limited Partnership)	35,714,354.54			-2,570,805.54					33,143,549.00	
Suzhou Ruizhi Real Estate Development Co., Ltd.	33,623,592.02			659,146.53					34,282,738.55	
Xiamen Minhai Ferry Co., Ltd.	33,432,103.15			2,450,870.85					35,882,974.00	

Investees	31 December 2022	Changes during the reporting period							31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
China Cultural Industry Investment Fund of Fund Management Co., Ltd.	22,818,108.99			2,727,567.10			347,900.00		25,197,774.09	
Hebei Xiangyu Zhongheng Real Estate Co., Ltd.	21,364,228.89			-39,181.21			13,000,000.00		8,325,047.68	
Xiamen Citizen Data Service Co., Ltd.	20,416,221.41	20,401,608.26		-14,613.15						
Fujian Xingzheng Strategy Venture Capital Partnership L.P.	16,995,606.32			-607,192.51					16,388,413.81	
Xiamen Xiangjian Equity Investment Partnership (Limited Partnership)	12,466,633.64			-125,185.47					12,341,448.17	
Gao'an Chenghui Supply Chain Co., Ltd.	10,692,976.13			-1,490,786.66			623,673.50		8,578,510.97	
Zhongguan Growth (Tianjin) Equity Investment Fund Partnership L.P.	9,660,727.89			1,972,897.32	-917,905.92		2,312,500.00		8,403,219.29	
Jianfeng Huaying No.1 (Wuhan) Venture Capital Center L.P.	9,651,446.01			-172.16	-66,711.24				9,584,562.61	
Puchou Xiangyu Ruoke Equity Investment Partnership L.P.	6,500,188.53			544.88				2,040,220.03	4,760,513.43	2,040,220.03
Xiamen Xiangyu Chuangfa Investment Partnership L.P.	5,999,659.50							1,799,897.86	4,199,761.64	1,799,897.86
Port of Jinzhou Xiangyu Grain Co., Ltd.	5,028,523.95			-190,451.46		4,753.85			4,842,826.34	
Harbin Chengyu Commercial Operation Co., Ltd.	4,511,523.40			102,061.72					4,613,587.12	
Ningbo Xiangyu Anyi Equity Investment Partnership L.P.	4,510,821.62			-2,137.41					4,508,684.21	

Investees	31 December 2022	Changes during the reporting period							31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
Shenzhen Zhongnan Growth Investment Partnership LLP	3,744,821.96			117,522.74	-95,117.51				3,767,234.19	
Xiamen Xianglan New Material Technology Co., Ltd.	3,647,358.93		3,695,802.13	48,443.20						
SDIC Xiangyu Power (Yajin) Co., Ltd.	3,445,611.17									
Shenzhen Zhongnan Chengzhang Investment Management Co., Ltd.	3,360,881.43			2,320,695.30			180,000.00		3,445,611.17	20,554,388.83
Xiamen Xiangyu Pengru Investment Partnership (General Partnership)	2,957,781.67			-2,262.17					2,995,519.50	
Xiamen Internet of Things Industry Research Institute Co., Ltd.	2,295,477.80			-1,133,261.68					1,162,216.12	
Zhangzhou Development Zone Changhai Cur Transport Co., Ltd.	1,657,398.21			-637,714.37					1,019,683.84	
Wendun Fushen Mining Co., Ltd.	1,063,840.15			-150,830.95					913,009.20	
Hubei Guomao Indao Supply Chain Co., Ltd.	865,448.57	20,000,000.00		1,631,502.65			778,903.71		21,718,047.51	
Xiamen Rongyan Business Management Co., Ltd.	800,000.00		800,000.00							
Chongqing Xingchuan Xiangyu Property Service Co., Ltd.	490,738.02			-1,717.55					489,020.47	
Yanjing Kaihai Venture Capital Management Partnership LLP	395,656.36			41.61					395,697.97	
Shanghai Zhaocang Biotech Real Estate Development Co., Ltd.		406,107,500.00		-1,815,073.86					404,292,426.14	

Investees	31 December 2022	Changes during the reporting period							31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
Beijon Xiangyu Thermal Power Co., Ltd.										6,000,000.00
Fujian Xiangyu Thermal Power Co., Ltd.										30,000,000.00
Xiamen Xiangyu Changyong Investment Partnership LLP										34,397,555.28
Kunshui Jincui Real Estate Co., Ltd.				149,204,824.53						
Xiamen Xiangyuan Investment Partnership (Limited Partnership)		701,000,000.00		21,553,455.26			21,553,455.26		701,000,000.00	
Xiamen Xixiwan Cruise City Investment Co., Ltd.	632,256,792.00			68,169,251.34					706,250,176.50	
Xiamen Zhuogang Lake Property Management Co., Ltd.	3,147,633.20			2,698,935.34			1,013,683.69		4,832,964.85	
Xiamen Chetuan Investment Partnership (Limited Partnership)								250,000,000.00	250,000,000.00	
Sichuan Ruchang Wood Enterprise Management Partnership (Limited Partnership)		67,800,000.00							67,800,000.00	
Xiamen Chetuai Investment Partnership (Limited Partnership)		39,760,000.00							39,760,000.00	
Xiamen Chetui Investment Partnership (Limited Partnership)		37,956,485.00							37,956,485.00	
Ningxia Shenhui Feed Co., Ltd.		9,000,000.00		3,904.94					9,003,904.94	
Xiamen International Logistics Port Co., Ltd.	68,894,131.79			-4,316,033.62	1,877.72				64,579,975.89	

Investees	31 December 2022	Changes during the reporting period							31 December 2023	Provision for impairment at 31 December 2023
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method	Adjustments of other comprehensive income	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment		
Xiamen Gold Investment Co., Ltd.				-13,814,061.55					33,814,061.55	
Subtotal	7,891,113,348.60	1,418,497,985.00	688,805,374.94	440,451,855.57	-334,225,154.67	1,660,182.40	248,239,687.15	3,846,117.89	14,924,800,661.46	159,708,070.15
(iii) Subsidiaries										
Xiamen Xiangyu International Trading Development Co.										6,000,000.00
Total	9,764,141,372.58	1,418,497,985.00	688,805,374.94	317,432,257.69	-345,498,952.88	1,660,182.40	314,392,145.12	3,846,117.89	16,597,497,811.38	165,708,070.15

6.16 Other non-current financial assets

Items	31 December 2023	31 December 2022
Financial asset designated at fair value through profit or loss	6,403,583,730.74	11,329,274,946.03

6.17 Investment Properties

(a) Investment properties accounted for using cost model

Items	Building and plants	Land use rights	Total
Initial cost:			
Balance as at 31 December 2022	4,266,993,726.01	1,348,735,008.53	5,615,728,734.54
Increase during the reporting period	840,524,142.67	132,529,943.77	973,054,086.44
(i) Acquisition	2,250,022.50		2,250,022.50
(ii) Transfer from inventories /fixed assets /construction in progress	810,970,225.98	132,213,317.71	943,183,543.69
(iii) Others	27,303,894.19	316,626.06	27,620,520.25
Decrease during the reporting period	73,067,106.04	16,754,415.49	89,821,521.53
(i) Disposal	13,875,898.90		13,875,898.90
(ii) Others	59,191,207.14	16,754,415.49	75,945,622.63
Balance as at 31 December 2023	5,034,450,762.64	1,464,510,536.81	6,498,961,299.45
Accumulated depreciation and amortisation:			
Balance as at 31 December 2022	621,043,587.87	182,516,010.68	803,559,598.55
Increase during the reporting period	246,427,225.84	56,243,095.43	302,670,321.27
(i) Provision	140,707,115.70	37,961,397.91	178,668,513.61
(ii) Others	105,720,110.14	18,281,697.52	124,001,807.66
Decrease during the reporting period	20,639,925.71	2,303,253.96	22,943,179.67
(i) Disposal	6,613,924.00		6,613,924.00
(ii) Others	14,026,001.71	2,303,253.96	16,329,255.67
Balance as at 31 December 2023	846,830,888.00	236,455,852.15	1,083,286,740.15
Provision for impairment:			
Balance as at 31 December 2022			
Increase during the reporting period	427,083.05		427,083.05
(i) Provision	427,083.05		427,083.05

Items	Building and plants	Land use rights	Total
Decrease during the reporting period			
Balance as at 31 December 2023	427,083.05		427,083.05
Carrying amount:			
Balance as at 31 December 2023	4,187,192,791.59	1,228,054,684.66	5,415,247,476.25
Balance as at 31 December 2022	3,645,950,138.14	1,166,218,997.85	4,812,169,135.99

(b) Investment properties without certificate of title

Items	Carrying amount
Senlong Real Estate commercial and office buildings	442,854,403.48
Free Trade Times Square Building	427,089,971.34
Xiangyu develops Haixi Commodity City	48,245,347.52
Yongkang Tuanfeng Building	36,466,317.57
Xiangyu Development cross-strait cross-border e-commerce warehouse	35,963,202.06
Xiangyu Development customs supervision warehouse	19,706,287.63
Building A, Anyang Xiangdao Bulk Cargo Yard Management Center	9,447,270.70
Total	983,306,482.73

Note: As at 31 December 2023, please refer to Note 6.69 for the pledge of investment properties of the Company.

6.18 Fixed Assets

(a) Fixed assets by category

Items	31 December 2023	31 December 2022
Fixed assets	37,472,679,438.64	38,062,102,287.49
Disposal of fixed assets		
Total	37,472,679,438.64	38,062,102,287.49

(b) Fixed Assets

(i) General information of fixed assets

Items	Plant and buildings	Fixture and other facilities	Machinery equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
Initial cost:							
Balance as at 31 December 2022	15,020,795,138.48	6,099,203,514.89	22,337,003,579.32	1,115,330,280.61	361,546,422.72	58,082,477.83	44,991,961,413.85
Increase during the reporting period	1,654,068,635.65	117,445,114.75	931,292,854.65	272,280,496.28	69,380,998.98	12,832,830.92	3,057,300,931.23
(i) Acquisition	188,675,877.86	22,805,467.73	333,958,717.00	209,870,801.26	53,134,177.49	6,552,618.41	814,997,659.75
(ii) Transfer from construction in progress	927,490,370.04	25,096,804.53	118,307,181.99	23,698,906.64	12,601,821.27	976,076.62	1,108,171,161.09
(iii) Business combination	41,964,556.47	11,403,912.94	30,802,361.52	529,619.61	358,283.19		85,058,733.73
(iv) Others	495,937,831.28	58,138,929.55	448,224,594.14	38,181,168.77	3,286,717.03	5,304,135.89	1,049,073,376.66
Decrease during the reporting period	521,990,821.60	57,778,592.31	453,896,613.94	47,277,893.35	26,067,814.78	625,964.32	1,107,657,700.30
(i) Disposal	7,520,030.86	13,612,176.21	81,413,529.53	42,144,925.28	25,607,193.21	317,272.01	170,615,127.10
(ii) Others	514,470,790.74	44,166,416.10	372,483,084.41	5,132,968.07	460,621.57	308,692.31	937,022,573.20
Balance as at 31 December 2023	16,152,872,952.53	6,158,870,037.33	22,814,399,820.03	1,340,332,883.54	404,859,606.92	70,289,344.43	46,941,624,644.78
Accumulated depreciation:							
Balance as at 31 December 2022	1,867,623,615.20	770,661,948.57	3,723,643,923.41	305,991,270.85	214,381,535.81	27,702,592.80	6,910,004,886.64
Increase during the reporting period	667,109,897.50	242,987,670.08	1,648,065,392.37	87,826,802.43	56,565,742.18	15,387,111.33	2,717,942,615.89
(i) Provision	645,500,792.97	214,953,280.49	1,590,423,110.89	86,903,144.78	55,716,595.17	10,454,656.26	2,603,951,580.56
(ii) Others	21,609,104.53	28,034,389.59	57,642,281.48	923,657.65	849,147.01	4,932,455.07	113,991,035.33
Decrease during the reporting period	107,410,544.50	13,152,992.76	29,525,975.55	36,980,078.83	12,393,258.51	741,118.94	200,203,969.09

Items	Plant and buildings	Fixture and other facilities	Machinery equipment	Transportation equipment	Electronic equipment and office equipment	Others	Total
(i) Disposal	3,037,658.77	3,487,797.90	29,228,977.34	36,786,513.43	12,246,346.46	302,504.53	85,089,798.43
(ii) Others	104,372,885.73	9,665,194.86	296,998.21	193,565.40	146,912.05	438,614.41	115,114,170.66
Balance as at 31 December 2023	2,427,322,968.20	1,000,496,625.89	5,342,183,340.23	356,837,994.45	258,554,019.48	42,348,585.19	9,427,743,533.44
Provision for impairment:							
Balance as at 31 December 2022			19,849,486.40	4,534.38	218.94		19,854,239.72
Increase during the reporting period			21,247,801.79	12,890.79	92,256.73		21,352,949.31
(i) Provision			19,750,803.10	12,890.79	92,256.73		19,855,950.62
(ii) Others			1,496,998.69				1,496,998.69
Decrease during the reporting period			5,400.61		115.72		5,516.33
(i) Disposal			5,400.61		115.72		5,516.33
Balance as at 31 December 2023			41,091,887.58	17,425.17	92,359.95		41,201,672.70
Carrying amount:							
Balance as at 31 December 2023	13,725,549,984.33	5,158,373,411.44	17,431,124,592.22	983,477,463.92	146,213,227.49	27,940,759.24	37,472,679,438.64
Balance as at 31 December 2022	13,153,171,523.28	5,328,541,566.32	18,593,510,169.51	809,334,475.38	147,164,667.97	30,379,885.03	38,062,102,287.49

Note: The others increase of initial cost of fixed assets was effected by the conversion of foreign currency and final accounts adjustments.

(ii) Fixed assets acquired under finance leases

Items	Carrying amount at 31 December 2023
Transportation equipment	726,603,592.12
Machinery equipment	432,524,963.85
Total	1,159,128,555.97

(iii) Fixed assets without certificate of title

Items	Carrying amount at 31 December 2023
Suihua Biochemical Plant and buildings	1,016,947,095.95
Tianjin Xiangyu Logistics Container Yard	172,317,982.46
Suihua Energy Plant and buildings	147,946,293.97
Anyang Xiangdao 1# Warehouse	55,901,914.61
Benxi Steel Baojin Processing and Distribution Project (Phase I)	53,881,559.30
Harbin Xiangbai Plant and buildings	22,398,725.12
Xinjiang Xiangdao Comprehensive Building and Office Building	18,983,609.20
Fujin biochemical Plant and buildings	9,555,686.38
Bei'an biochemical Plant and buildings	8,022,657.27
Xiangyu Haizhuang Dormitory Building #1, 2	7,151,379.32
Xiangyu Haizhuang Dormitory Building #3, 4	6,193,363.62
Jiangsu Dafeng Office Building	898,546.33
Peace Wharf New Passenger Terminal	772,107.03
Building No. 59, Zhenbang Road, Heping Wharf	301,599.96
Total	1,521,272,520.52

(iv) Idle fixed assets

Items	Initial cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery equipment	100,809,625.78	24,511,585.35		76,298,040.43

(v) As at 31 December 2023, please refer to Note 6.69 for the fixed assets under mortgage of the Company.

6.19 Construction in Progress

(a) Construction in progress by category

Items	31 December 2023	31 December 2022
Construction in progress	4,095,213,588.70	4,382,464,296.26
Construction materials	107,080,297.01	291,005,481.38

Items	31 December 2023	31 December 2022
Total	4,202,293,885.71	4,673,469,777.64

(b) Construction in progress

(i) General information of construction in progress

Items	31 December 2023			31 December 2022		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Technical transformation project of ferronickel and stainless steel integrated smelting plant	2,250,659,655.30		2,250,659,655.30	1,694,971,709.30		1,694,971,709.30
Shopping malls and underground parking spaces at No. 17-19 Donggang North Road	503,153,192.12		503,153,192.12	538,896,778.04		538,896,778.04
Terminal Building of Lot 7# in Cruise Home Port Area	492,975,865.07		492,975,865.07	478,584,960.59		478,584,960.59
0-4# Berth Reconstruction Project of Cruise Home Port Area	384,119,017.92		384,119,017.92	369,421,915.48		369,421,915.48
5,000-ton wharf in the modern logistics park	98,642,533.30		98,642,533.30	98,626,174.81		98,626,174.81
Huli Innovation Park Project	73,574,708.17		73,574,708.17	8,775,440.60		8,775,440.60
Cruise Center Terminal Area Operation Improvement (Cultural Tourism City) Project	55,285,104.01		55,285,104.01			
Anyang Xiangdao Logistics Co., Ltd railway special line project	46,490,800.71		46,490,800.71	44,958,641.13		44,958,641.13
Dongping Mountain Tourism Project	33,525,898.41		33,525,898.41	30,231,677.00		30,231,677.00
Gas station and power station engineering	19,077,631.03		19,077,631.03	13,558,417.82		13,558,417.82
Dafeng Mining Engineering	16,528,781.97		16,528,781.97	24,883,736.04		24,883,736.04
Southeast Smart Supply Chain Industrial Park	14,974,764.17		14,974,764.17	480,403,100.10		480,403,100.10
Sanqitian Wharf Reconstruction Project	12,197,156.00		12,197,156.00	3,027,000.00		3,027,000.00
Technology renovation project	9,466,654.36		9,466,654.36	19,410,202.86		19,410,202.86
Annual further processing 1.5 million ton corn project				301,621,891.40		301,621,891.40
Xiangyu Nanguang Warehousing and Logistics Project				73,492,547.94		73,492,547.94
Expansion of Neicuoso Wharf				59,295,715.51		59,295,715.51
Benxi Iron and Steel Baofin Automobile New Material Processing and Distribution Project				45,527,548.92		45,527,548.92
Reconstruction of passenger ship Lujiang You 7				22,213,009.38		22,213,009.38

Items	31 December 2023			31 December 2022		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Songyu Tourism Wharf Project				14,984,547.28		14,984,547.28
Xiangyu Group Building				8,999,054.26		8,999,054.26
Relocation and installation of FDY line				3,027,258.02	1,496,998.69	1,530,259.33
Others	84,541,826.16		84,541,826.16	49,049,968.47		49,049,968.47
Total	4,095,213,588.70		4,095,213,588.70	4,383,961,294.95	1,496,998.69	4,382,464,296.26

(ii) Changes in significant projects of construction in progress

Projects	Budget	31 December 2022	Increase during the reporting period	Transfer to fixed asset	Decrease during the reporting period	31 December 2023
Technical transformation project of ferronickel and stainless steel integrated smelting plant	18.063 billion	1,694,971,709.30	555,687,946.00			2,250,659,655.30
Annual further processing 1.5 million ton corn project	4.842 billion	301,621,891.40	118,165,650.67	419,787,542.07		
Cruise Center Terminal Area Operation Improvement (Cultural Tourism City) Project	1.101 billion		55,285,104.01			55,285,104.01
Anyang Xiangdao Logistics Co., Ltd railway special line project	0.589 billion	44,958,641.13	2,564,497.75	1,032,338.17		46,490,800.71
Southeast Smart Supply Chain Industrial Park	0.876 billion	480,403,100.10	79,481,949.78	220,527,432.86	324,382,852.85	14,974,764.17
Terminal Building of Lot 7# in Cruise Home Port Area	0.618 billion	478,584,960.59	14,390,904.48			492,975,865.07
0-4# Berth Reconstruction Project of Cruise Home Port Area	0.498 billion	369,421,915.48	14,697,102.44			384,119,017.92
Huli Innovation Park Project	0.197 billion	8,775,440.60	64,799,267.57			73,574,708.17
Total		3,378,737,658.60	905,072,422.70	641,347,313.10	324,382,852.85	3,318,079,915.35

(iii) For the details of construction in progress under mortgage as at 31 December 2023, please refer to Note 6.69.

(c) Construction materials

Items	31 December 2023			31 December 2022		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Special-purpose material	107,080,297.01		107,080,297.01	291,005,481.38		291,005,481.38

6.20 Right-of-use Assets

Items	Plant and buildings	Fixture and other facilities	Machinery equipment	Transportation equipment	Electronic equipment and office equipment	Land use right	Total
Initial cost:							
Balance as at 31 December 2022	1,865,594,100.06	72,905,847.25	386,354,710.90	4,716,287.17	673,705.90	33,320,950.36	2,363,565,601.64
Increase during the reporting period	1,074,522,541.65	3,947,290.05	80,039,324.83	51,440,172.16		30,398,827.09	1,240,348,155.78
Decrease during the reporting period	174,041,847.17	65,876,958.03	112,492,907.87	95,726.50	673,705.90	16,816,356.80	369,997,502.27
Balance as at 31 December 2023	2,766,074,794.54	10,976,179.27	353,901,127.86	56,060,732.83		46,903,420.65	3,233,916,255.15
Accumulated depreciation:							
Balance as at 31 December 2022	342,052,615.96	37,823,558.54	222,788,356.02	750,503.97	632,012.52	12,156,357.84	616,203,404.85
Increase during the reporting period	243,909,538.22	1,836,703.95	15,431,450.13	7,977,243.01		20,280,687.91	289,435,623.22
Decrease during the reporting period	64,739,519.95	31,170,268.09	35,596,792.66	90,940.17	632,012.52	16,816,356.79	149,045,890.18
Balance as at 31 December 2023	521,222,634.23	8,489,994.40	202,623,013.49	8,636,806.81		15,620,688.96	756,593,137.89
Provision for impairment:							
Balance as at 31 December 2022							
Increase during the reporting period							
Decrease during the reporting period							
Balance as at 31 December 2023							
Carrying amount:							
Balance as at 31 December 2023	2,244,852,160.31	2,486,184.87	151,278,114.37	47,423,926.02		31,282,731.69	2,477,323,117.26
Balance as at 31 December 2022	1,523,541,484.10	35,082,288.71	163,566,354.88	3,965,783.20	41,693.38	21,164,592.52	1,747,362,196.79

6.21 Intangible Assets

(a) General information of intangible assets

Items	Land usage right	Software	Patent	Know-how	Forest right	Others	Total
Initial cost:							
Balance as at 31 December 2022	4,373,219,724.18	321,291,900.81	51,392,945.72	7,093,684.88	68,546,486.67	1,052,011.66	4,822,596,753.92
Increase during the reporting period	534,892,072.18	102,504,406.24	6,981.14	6,546,037.65	1,113,110.57	62,250.00	645,124,857.78
(i) Acquisition	446,317,563.74	82,325,218.13	6,981.14			62,250.00	528,712,013.01
(ii) Others	88,574,508.44	20,179,188.11		6,546,037.65	1,113,110.57		116,412,844.77
Decrease during the reporting period	196,224,853.81	11,001,317.73					207,226,171.54
(i) Disposal	7,572,338.35	10,889,770.66					18,462,109.01
(ii) Others	188,652,515.46	111,547.07					188,764,062.53
Balance as at 31 December 2023	4,711,886,942.55	412,794,989.32	51,399,926.86	13,639,722.53	69,659,597.24	1,114,261.66	5,260,495,440.16
Accumulated amortisation:							
Balance as at 31 December 2022	530,563,520.06	133,919,619.31	31,029,290.16	2,748,228.42	6,259,302.10	383,472.28	704,903,432.33
Increase during the reporting period	116,436,460.74	41,842,887.77	3,920,767.73	1,174,349.02	1,534,559.82	104,117.82	165,013,142.90
(i) Provision	93,201,258.54	41,834,375.89	3,920,767.73	1,174,349.02	1,529,257.14	104,117.82	141,764,126.14
(ii) Others	23,235,202.20	8,511.88			5,302.68		23,249,016.76
Decrease during the reporting period	29,062,089.65	4,496,426.20					33,558,515.85
(i) Disposal	280,476.76	4,440,580.92					4,721,057.68
(ii) Others	28,781,612.89	55,845.28					28,837,458.17
Balance as at 31 December 2023	617,937,891.15	171,266,080.88	34,950,057.89	3,922,577.44	7,793,861.92	487,590.10	836,358,059.38
Provision for impairment:							

Items	Land usage right	Software	Patent	Know-how	Forest right	Others	Total
Balance as at 31 December 2022		3,970,658.47					3,970,658.47
Increase during the reporting period							
Decrease during the reporting period							
Balance as at 31 December 2023		3,970,658.47					3,970,658.47
Carrying amount:							
Balance as at 31 December 2023	4,093,949,051.40	237,558,249.97	16,449,868.97	9,717,145.09	61,865,735.32	626,671.56	4,420,166,722.31
Balance as at 31 December 2022	3,842,656,204.12	183,401,623.03	20,363,655.56	4,345,456.46	62,287,184.57	668,539.38	4,113,722,663.12

Note: For the details of intangible assets under mortgage as at 31 December 2023, please refer to Note 6.69.

(b) Land use rights without certificate of title

Items	Carrying amount
Land of Harbin Xiangbai Biotechnology Co., Ltd	4,475,072.37
Yi'an County Pengyu Commercial Logistics Co., Ltd. (100,000 square meters in Beidadi)	12,978,779.14
Xiangyu Development 2011XP03-1-2 plots	52,341,651.47
Cruise home port 0-4# berth plot	67,121,663.22
Total	136,917,166.20

6.22 Development expenditures

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Research and development of Jinxiang Biochemical management system	4,891,522.16	2,528,301.90	6,546,037.65	873,786.41
Commodity supply chain and integrated logistics service information technology platform	4,181,708.15	26,701,806.60	20,110,427.47	10,773,087.28
Total	9,073,230.31	29,230,108.50	26,656,465.12	11,646,873.69

6.23 Goodwill

(a) Initial recognition

Investees or matters that goodwill arising from	31 December 2022	Increase during the reporting period (Business combination)	Decrease during the reporting period	31 December 2023
Xiamen Xiangyu Singamas Container Co., Ltd.	3,165,266.31			3,165,266.31
PT Obsidian Stainless Steel	772,211.73			772,211.73
Xiamen Suchuan Customs Broker Co., Ltd.	163,562.93			163,562.93
Bonxi Steel Baojin (Shenyang) Automobile New Material Technology Co., Ltd.	10,424,359.40		6,534,953.47	3,889,405.93
Xiamen Huanzi Mining Technology Co., Ltd.	2,692,661.99			2,692,661.99
Xiamen Railway Logistics Investment Co., Ltd.	16,175,079.61			16,175,079.61
Zhangzhou Haida Shipping Co., Ltd.	1,727,566.49			1,727,566.49
Fujian Xiangyu Shell Oil Co., Ltd.	8,422,312.12			8,422,312.12
Xiamen Xiangyu Development Co. Ltd.	39,039,582.91		39,039,582.91	
Shanghai Xiangyu Wine Industry Co. Ltd.	746,583.59		746,583.59	
Qingdao Damei Sealing Technology Co., Ltd.	6,811,258.60			6,811,258.60
Total	90,140,445.68		46,321,119.97	43,819,325.71

(b) Provision for impairment

The Company adopts the method of the present value of estimated future cash flow to calculate the recoverable amount of the asset group. According to the financial budget approved by the management, the Company estimates the cash flow of the above-mentioned major subsidiaries in the next five years, and adopts stable cash flow in the subsequent years. The management prepares the above financial budget based on past performance and its expectation of market development. The Company converts the weighted average cost of capital into a pre-tax discount rate, which is used to calculate the present value of future cash flows, which has reflected the risks relative to the relevant segment. After testing, the provision for impairment of goodwill at the end of the period is as follows:

Investees or matters that goodwill arising from	31 December 2022	Increase during the reporting period		Decrease during the reporting period		31 December 2023
		Provision	Others	Disposal	Others	
Xiamen Xiangyu Development Co. Ltd.	39,039,582.91			39,039,582.91		
Xiamen Suchuan Customs Broker Co., Ltd.	163,562.93					163,562.93
Shanghai Xiangyu Wine Industry Co. Ltd.	746,583.59			746,583.59		
Total	39,949,729.43			39,786,166.50		163,562.93

6.24 Long-term Deferred Expenses

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period		31 December 2023
			Amortisation	Other decrease	
Engineering and equipment improvement expenditures	66,436,047.05	172,076,039.37	48,766,896.25	547,652.19	189,197,537.98
Decoration and repair costs	250,059,959.34	84,605,424.11	47,879,340.51	7,315,490.56	279,470,552.38
Insurance	23,925,036.90		4,866,109.20		19,058,927.70
Others	33,417,820.16	10,158,963.05	13,253,761.72	234,035.53	30,088,985.96
Total	373,838,863.45	266,840,426.53	114,766,107.68	8,097,178.28	517,816,004.02

6.25 Deferred Tax Assets and Deferred Tax Liabilities

(a) Deferred tax assets before offsetting

Items	31 December 2023		31 December 2022	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment loss	860,688,771.70	215,162,649.91	1,223,505,156.03	306,023,320.49
Provision for credit impairment	2,532,332,964.35	613,206,507.23	1,237,627,965.93	308,369,449.20
Deductible losses	8,188,749,839.44	2,022,704,330.68	3,417,397,866.14	840,224,611.86
Changes in fair value for trading financial assets and derivative financial instruments	610,038,532.87	152,508,722.20	326,970,615.73	81,715,232.23

Items	31 December 2023		31 December 2022	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Forecast gross profit	6,121,728,227.36	1,530,432,056.76	3,614,125,927.84	903,531,480.99
Accrued salary and expense	1,479,317,003.49	368,958,144.48	1,518,861,984.61	378,718,091.37
Taxes accrued but not paid	505,552,572.49	126,388,143.12		
Unrealised intragroup profit	156,744,670.23	39,186,167.54	258,635,738.51	64,658,934.63
Difference between carrying amount and tax base from long-term assets	214,633,292.29	52,604,837.32	138,204,202.27	28,676,323.98
Net effect of right-of-use assets and lease liabilities	797,638,080.84	194,866,521.27	519,598,647.05	129,633,231.70
Government grant	147,958,884.20	36,448,633.03	139,091,579.48	34,212,033.48
Provision for guarantee loss	14,883,940.61	3,720,985.15	10,511,188.32	2,627,797.08
Deductible advertisement and promoting cost	1,456,373.23	364,093.31	184,739.60	46,184.90
Hedged items	10,696,792.35	2,674,198.09	2,774,590.92	693,647.73
Estimated liabilities	82,609,126.32	20,652,281.58	39,829,949.06	9,957,487.26
Receipts in advance	285,193,245.69	68,817,473.88	107,409,169.56	24,237,705.75
Share-based payment	88,943,793.92	21,556,075.03	147,526,002.99	35,581,947.00
Total	22,099,166,111.38	5,470,251,820.58	12,702,255,324.04	3,148,907,479.65

(b) Deferred tax liabilities before offsetting

Items	31 December 2023		31 December 2022	
	Deductible temporary differences	Deferred tax liabilities	Deductible temporary differences	Deferred tax liabilities
Valuation of financial assets held-for-trading and derivative financial instruments	1,382,423,474.39	345,597,471.60	527,958,137.71	131,989,534.18
Tax prepaid	1,562,082,717.30	390,520,679.31	942,717,839.79	235,679,459.94
Unrealised intragroup profit			9,552,607.44	2,388,151.86
Hedged items	40,848,596.65	10,212,149.16	62,505,039.37	15,626,259.84
Cost to obtain a contract	298,576,625.92	74,644,156.50		
Assets appreciation from business combination not under common control	316,202,628.02	78,240,638.20	352,926,493.79	88,231,623.45
Difference between carrying amount and tax base from long-term assets	624,653,907.06	143,632,763.32	607,499,560.79	145,019,424.99
Net effect of right-of-use assets and lease liabilities	764,698,869.91	186,782,879.13	488,343,637.16	122,085,909.29
Total	4,989,486,819.25	1,229,630,737.22	2,991,503,316.05	741,020,363.55

(c) Net balance of deferred tax liabilities and deferred tax assets after offsetting

Items	Offset amount at 31 December 2023	Net balance after offsetting at 31 December 2023
Deferred tax assets	1,003,472,860.08	4,466,778,960.50
Deferred tax liabilities	1,003,472,860.08	226,157,877.14

6.26 Other Non-current Assets

Items	31 December 2023	31 December 2022
Deductible Input VAT	4,907,988,699.25	4,428,943,854.27
Prepayment for project	619,467,157.88	788,624,639.23
Time deposit	1,161,289,137.96	722,139,178.09
Agent construction project	155,587,329.96	155,587,329.96
Prepayment for cooperative planting	12,689,099.48	3,664,633.86
Land-transferring expense	456,350,679.67	719,091,861.54
Deferred income from sales and leaseback	39,136,961.05	49,441,289.20
Cooperative development of sea area use rights		9,865,125.00
Costs to obtain a contract	89,347,715.77	
Others	6,452,857.55	935,000.00
Total	7,448,309,638.57	6,878,292,911.15

6.27 Short-term Borrowings

Items	31 December 2023	31 December 2022
Guarantee loans	22,022,901,269.41	18,385,688,558.99
Trade Financing Loan	13,901,094,106.07	7,769,469,336.07
Guarantee loans	9,798,327,169.00	7,442,650,000.00
Pledged loans	633,894,778.52	
Mortgaged and guaranteed loans	120,000,000.00	166,000,000.00
Guaranteed and pledged loans	136,900,000.00	126,000,000.00
Interest payable	86,702,943.37	52,293,542.63
Total	46,699,820,266.37	33,942,101,437.69

6.28 Derivative Financial Liabilities

Items	31 December 2023	31 December 2022
1. Derivative financial liabilities without designated hedging relationship		
Foreign exchange option	428,027,481.67	137,854,766.96
Forward exchange contract	337,527,381.12	436,378,144.09
Over the Counter Options	160,418,072.25	62,061,541.29
Futures contract	71,666,107.51	80,475,985.96
Commodity option contract	45,955,166.34	11,776,211.38

Items	31 December 2023	31 December 2022
Foreign exchange swap	6,599,530.13	
Precious metal trading Contract	290,685.56	
Interest rate swap	42,500.00	
2. Hedging instruments		
Commodity futures contract	7,308,450.45	75,004,708.35
Foreign exchange derivatives	53,586,052.29	
Total	1,111,421,427.32	803,551,358.03

6.29 Notes Payable

Items	31 December 2023	31 December 2022
Bank acceptance bills	27,790,625,270.38	22,732,253,358.10
Commercial acceptance bills	1,644,859,267.01	659,667,662.64
Total	29,435,484,537.39	23,391,921,020.74

6.30 Accounts Payable

Accounts payable by aging

Items	31 December 2023	31 December 2022
Within 1 year	20,355,806,376.40	19,187,292,738.63
1-2 years	548,033,339.86	493,042,368.37
2-3 years	232,363,084.74	119,321,138.76
Over 3 years	161,849,658.84	176,418,686.41
Total	21,298,052,459.84	19,976,074,932.17

6.31 Receipts in advance

Items	31 December 2023	31 December 2022
Within 1 year	77,115,903.28	55,458,328.98
Over 1 year	4,395,110.29	2,476,279.76
Total	81,511,013.57	57,934,608.74

6.32 Contract liabilities

Items	31 December 2023	31 December 2022
Advances for goods	8,021,978,944.52	8,696,961,180.68
Pre-sale house payment	43,675,875,034.12	25,245,615,836.20
Contract liabilities related to shipbuilding	2,125,953,357.38	1,222,434,935.50
Integrated logistics, payment and others	123,087,216.80	175,377,436.12
Total	53,946,894,552.82	35,340,389,388.50

6.33 Employee Benefits Payable

(a) Details of employee benefits payable

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Short-term employee benefits	1,926,539,421.37	4,016,907,464.87	4,270,711,442.31	1,672,735,443.93
Post-employment benefits-defined contribution plans	9,810,216.77	360,083,182.93	363,261,376.99	6,632,022.71
Termination benefits	8,273,799.16	27,702,591.04	31,308,934.52	4,667,455.68
Other benefits due within one year	2,998,621.80	3,051,177.10	3,051,177.10	2,998,621.80
Total	1,947,622,059.10	4,407,744,415.94	4,668,332,930.92	1,687,033,544.12

(b) Short-term employee benefits

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Salaries, bonuses, allowances and subsidies	1,909,408,921.87	3,348,095,431.50	3,599,032,107.19	1,658,472,246.18
Employee benefits		221,387,670.83	221,387,670.83	
Social insurance	2,343,237.66	142,692,983.79	142,934,128.76	2,102,092.69
Including: Health insurance	581,024.21	107,849,447.87	107,970,388.27	460,083.81
Injury insurance	462,836.36	7,303,762.79	7,727,829.95	38,769.20
Birth insurance	16,415.26	7,519,018.53	7,508,701.14	26,732.65
Other insurance	1,282,961.83	20,020,754.60	19,727,209.40	1,576,507.03
Housing accumulation fund	140,552.22	188,170,216.99	188,153,522.79	157,246.42
Labour union funds and employee education funds	7,407,584.46	45,473,916.71	44,895,810.42	7,985,690.75
Labor Dispatch	7,239,125.16	71,087,245.05	74,308,202.32	4,018,167.89
Total	1,926,539,421.37	4,016,907,464.87	4,270,711,442.31	1,672,735,443.93

(c) Defined contribution plans

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Basic endowment insurance	7,319,377.41	218,765,287.26	224,989,678.93	1,094,985.74
Unemployment insurance	136,087.21	6,986,063.40	7,095,809.05	26,341.56
Enterprise annuity	591,395.86	108,378,989.27	105,649,782.95	3,320,602.18

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Others	1,763,356.29	25,952,843.00	25,526,106.06	2,190,093.23
Total	9,810,216.77	360,083,182.93	363,261,376.99	6,632,022.71

6.34 Taxes Payable

Items	31 December 2023	31 December 2022
Corporate income tax	906,276,216.49	1,251,398,886.08
Value added tax	306,983,932.11	485,227,546.87
City construction tax	16,354,872.47	19,984,840.05
Individual income tax	45,365,849.59	21,975,177.55
Property tax	39,595,902.86	39,548,952.59
Educational surcharge	7,466,915.87	9,132,349.27
Local education surcharge	4,984,042.57	6,089,564.79
Land use tax	8,540,683.33	8,047,376.04
Land appreciation tax	512,566,892.00	239,460,748.71
Others	96,843,677.68	127,618,797.11
Total	1,944,978,984.97	2,208,484,239.06

6.35 Other Payables

(a) Other payables by category

Items	31 December 2023	31 December 2022
Dividend payable	380,558,319.88	130,847,032.70
Other payables	11,366,088,205.54	12,913,504,433.75
Total	11,746,646,525.42	13,044,351,466.45

(b) Dividends payable

Items	31 December 2023	31 December 2022
Dividends on preference shares /perpetual capital securities classified as equity instruments	189,743,436.06	95,524,808.98
Dividends on ordinary shares	190,814,883.82	35,322,223.72
Total	380,558,319.88	130,847,032.70

(c) Other payables

Items	31 December 2023	31 December 2022
Within 1 year	5,530,817,454.03	9,496,146,500.18
1-2 years	3,392,586,263.05	1,623,618,932.27
2-3 years	846,915,668.95	872,214,261.57

Items	31 December 2023	31 December 2022
Over 3 years	1,595,768,819.51	921,524,739.73
Total	11,366,088,205.54	12,913,504,433.75

6.36 Non-current Liabilities Maturing within One Year

Items	31 December 2023	31 December 2022
Long-term borrowings due within one year	13,019,202,154.37	6,391,046,195.71
Bonds payable due within one year	1,299,291,290.83	5,419,933,445.95
Long-term payables due within one year	477,269,847.55	228,463,332.80
Trust loan due within one year		497,571,428.56
Lease liabilities due within one year	262,398,575.62	306,342,657.76
Non-current liabilities maturing within one year	8,557,360.03	86,693,335.38
Bond interest payable	344,732,810.06	399,122,374.41
Interest payable on long-term loans	61,738,213.75	63,174,485.47
Interest payable on trust loan		3,809,805.43
Interest payable on long-term payables	1,054,856.39	
Interest payable on non-current liabilities	586,995.65	1,613,242.91
Total	15,474,832,104.25	13,397,770,304.38

(a) Long-term borrowings due within one year

Items	31 December 2023	31 December 2022
Credit Loans	4,844,116,162.32	391,065,297.26
Pledged Loans		1,147,851,950.00
Mortgaged Loans	3,240,437.49	2,306,003.30
Guaranteed Loans	4,746,017,091.94	1,618,100,544.03
Mortgaged and Guaranteed Loans	574,020,000.00	1,031,399,179.60
Pledged and Guaranteed Loans	159,400,000.00	189,543,849.36
Mortgaged, Pledged and Guaranteed Loans	2,692,408,462.62	2,010,779,372.16
Total	13,019,202,154.37	6,391,046,195.71

(b) Long-term payables due within one year

Items	31 December 2023	31 December 2022
Lease payable	463,447,982.37	215,054,562.12
Installments payable	13,821,865.18	13,408,770.68
Total	477,269,847.55	228,463,332.80

6.37 Other Current Liabilities**(a) Other current liabilities by category**

Items	31 December 2023	31 December 2022
Short-term bonds	7,565,176,439.11	7,081,086,698.67
Output tax to be transferred	4,854,238,798.64	3,230,216,686.54
Provision of guarantee compensation	11,923,705.92	10,198,368.11
Provision of undue liability guarantee	2,960,234.69	312,820.21
Hedged item from confirmed commitment for commodity procurement	11,438,526.75	341,451.53
Hedged item from confirmed commitment for commodity sold	2,876,419.21	2,433,139.39
Asset Support Special Plan	44,452.80	918,472,389.95
Accounts receivable factoring not derecognised	22,097,054.54	2,500,000.00
The payment related to the bills receivable that has been endorsed or discounted but not derecognised	102,571,777.12	83,868,433.63
Trust borrowings payable	1,021,575,342.47	
Other financial liabilities	206,008,333.33	936,445,695.43
Total	13,800,911,084.58	12,265,875,683.46

(b) Change in short-term bonds payable

Bonds	Par value	Value date	Bond duration	Amount issued	31 December 2022
22 Xiangyu SCP006	100.00	2022/4/26	266 days	2,000,000,000.00	2,034,518,904.12
22 Xiangyu SCP009	100.00	2022/11/9	268 days	1,500,000,000.00	1,504,786,849.32
22 Xiangyu SCP010	100.00	2022/11/21	207 days	1,000,000,000.00	1,003,287,671.24
22 Xiangyu CP001	100.00	2022/7/19	365 days	1,500,000,000.00	1,517,860,273.99
23 Xiangyu SCP001	100.00	2023/2/10	270 days	1,000,000,000.00	
23 Xiangyu SCP002	100.00	2023/2/15	247 days	1,000,000,000.00	
23 Xiangyu SCP003	100.00	2023/2/23	246 days	1,000,000,000.00	
23 Xiangyu SCP004	100.00	2023/4/4	269 days	1,600,000,000.00	
23 Xiangyu SCP005	100.00	2023/4/10	235 days	1,000,000,000.00	
23 Xiangyu SCP006	100.00	2023/6/14	268 days	1,500,000,000.00	
23 Xiangyu SCP007	100.00	2023/7/17	270 days	1,500,000,000.00	
23 Xiangyu SCP008	100.00	2023/10/18	240 days	2,000,000,000.00	
23 Xiangyu SCP009	100.00	2023/11/2	270 days	500,000,000.00	
23 Xiangyu SCP010	100.00	2023/11/29	30 days	1,500,000,000.00	
23 Xiangyu Group SCP001	100.00	2023/1/10	92 days	500,000,000.00	
23 Xiangyu Group SCP002	100.00	2023/1/12	92 days	500,000,000.00	

Bonds	Par value	Value date	Bond duration	Amount issued	31 December 2022
23 Xiangyu Group SCP003	100.00	2023/1/16	150 days	1,000,000,000.00	
23 Xiangyu Group SCP004	100.00	2023/1/18	142 days	1,000,000,000.00	
23 Xiangyu Group SCP005	100.00	2023/2/7	93 days	600,000,000.00	
23 Xiangyu Group SCP006	100.00	2023/2/9	98 days	1,000,000,000.00	
23 Xiangyu Group SCP007	100.00	2023/2/13	128 days	1,000,000,000.00	
23 Xiangyu Group SCP008	100.00	2023/3/20	102 days	1,000,000,000.00	
23 Xiangyu Group SCP009	100.00	2023/7/26	92 days	1,000,000,000.00	
23 Xiangyu Group SCP010	100.00	2023/12/27	92 days	1,000,000,000.00	
22 Xiangyu Jinxiang CP001	100.00	2022/3/3	365 days	500,000,000.00	515,833,000.00
22 Xiangyu Jinxiang CP002	100.00	2022/8/31	240 days	500,000,000.00	504,800,000.00
23 Xiangyu Jinxiang CP001	100.00	2023/4/21	366 days	500,000,000.00	
23 Xiangyu Jinxiang CP002	100.00	2023/8/15	366 days	500,000,000.00	
Total				29,200,000,000.00	7,081,086,698.67

(Continued)

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Repayment during the reporting period	31 December 2022
22 Xiangyu SCP006		2,356,712.32	2,036,875,616.44	
22 Xiangyu SCP009		19,883,835.61	1,524,670,684.93	
22 Xiangyu SCP010		13,726,027.39	1,017,013,698.63	
22 Xiangyu CP001		21,889,726.01	1,539,750,000.00	
23 Xiangyu SCP001	1,000,000,000.00	21,156,164.38	1,021,156,164.38	
23 Xiangyu SCP002	1,000,000,000.00	19,015,616.44	1,019,015,616.44	
23 Xiangyu SCP003	1,000,000,000.00	19,140,821.92	1,019,140,821.92	
23 Xiangyu SCP004	1,600,000,000.00	32,926,775.96	1,632,926,775.96	
23 Xiangyu SCP005	1,000,000,000.00	17,592,896.17	1,017,592,896.17	
23 Xiangyu SCP006	1,500,000,000.00	18,817,509.55		1,518,817,509.55
23 Xiangyu SCP007	1,500,000,000.00	17,071,849.31		1,517,071,849.31
23 Xiangyu SCP008	2,000,000,000.00	11,044,657.53		2,011,044,657.53
23 Xiangyu SCP009	500,000,000.00	2,240,710.38		502,240,710.38
23 Xiangyu SCP010	1,500,000,000.00	3,221,311.48	1,503,221,311.48	
23 Xiangyu Group SCP001	500,000,000.00	3,377,534.25	503,377,534.25	
23 Xiangyu Group SCP002	500,000,000.00	3,440,547.95	503,440,547.95	
23 Xiangyu Group SCP003	1,000,000,000.00	11,424,657.53	1,011,424,657.53	

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Repayment during the reporting period	31 December 2022
23 Xiangyu Group SCP004	1,000,000,000.00	10,815,342.47	1,010,815,342.47	
23 Xiangyu Group SCP005	600,000,000.00	3,928,931.51	603,928,931.51	
23 Xiangyu Group SCP006	1,000,000,000.00	6,900,273.97	1,006,900,273.97	
23 Xiangyu Group SCP007	1,000,000,000.00	9,047,671.23	1,009,047,671.23	
23 Xiangyu Group SCP008	1,000,000,000.00	6,967,213.11	1,006,967,213.11	
23 Xiangyu Group SCP009	1,000,000,000.00	5,982,513.66	1,005,982,513.66	
23 Xiangyu Group SCP010	1,000,000,000.00	376,712.34		1,000,376,712.34
22 Xiangyu Jinxiang CP001		3,167,000.00	519,000,000.00	
22 Xiangyu Jinxiang CP002		4,668,493.15	509,468,493.15	
23 Xiangyu Jinxiang CP001	500,000,000.00	10,000,000.00		510,000,000.00
23 Xiangyu Jinxiang CP002	500,000,000.00	5,625,000.00		505,625,000.00
Total	22,200,000,000.00	305,806,505.62	22,021,716,765.18	7,565,176,439.11

6.38 Long-term Borrowings

Items	31 December 2023	31 December 2022
Pledge loans	589,043,000.00	1,147,851,950.00
Mortgage loans	1,002,463,853.59	2,791,320,086.00
Guarantee loans	19,662,829,627.37	7,860,191,295.01
Credit loans	9,214,168,047.60	14,246,073,944.86
Mortgaged and guaranteed Loans	1,810,980,000.00	7,237,861,796.00
Pledged and guaranteed Loans	555,195,493.69	457,408,826.77
Mortgaged , pledged and guaranteed loans	6,288,163,852.28	6,996,273,248.42
Interest payable	61,738,213.75	63,174,485.47
Subtotal	39,184,582,088.28	40,800,155,632.53
Less: Long-term borrowings due within one year	13,080,940,368.12	6,454,220,681.18
Total	26,103,641,720.16	34,345,934,951.35

6.39 Bonds payable

(a) General information of bonds payable

Items	31 December 2023	31 December 2022
21 Xiangyu Jinxiang 01		416,277,735.32
21 Xiangyu Jinxiang 02		1,012,942,706.44
21 Xiangyu Jinxiang 03	301,048,986.04	300,736,193.02
22 Xiangyu Jinxiang 01	311,829,413.46	311,523,990.70

Items	31 December 2023	31 December 2022
22 Xiangyu Jinxiang MTN001	510,178,301.87	509,886,812.75
HK XIANG YUN2301		3,383,512,702.78
HK XY INV N2509	3,491,811,291.84	2,111,263,475.72
20 Xiangyu G1		1,637,333,157.22
20 Xiangyu G2	615,150,121.90	614,411,050.98
21 Xiangyu G1		512,637,227.20
22 Xiangyu G1	1,028,074,138.11	1,024,190,703.50
22 Xiangyu G2	873,806,099.35	871,542,227.20
22 Xiangyu G4	1,201,889,234.33	1,200,735,774.56
22 Xiangyu GN003	652,375,075.20	650,406,250.01
22 Xiangyu MTN001	1,015,071,965.91	1,015,416,666.69
20 Xiangyu 01		830,187,012.94
20 Xiangyu 02		1,235,819,874.67
21 Xiangyu 02		1,030,596,607.21
23 Xiangdi 01	1,362,670,796.12	
23 Xiangyu Jinxiang MTN001	520,367,295.56	
23 Jinxiang 01	515,532,788.30	
23 Jinxiang 02	511,358,066.24	
23 Jinxiang 03	1,016,436,071.92	
23 Xiangyu G1	511,219,565.04	
23 Xiangyu G2	715,980,773.42	
23 Xiangyu G3	1,521,452,733.31	
23 Xiangyu G4	566,974,355.40	
23 Xiangyu G5	985,795,551.83	
Subtotal	18,229,022,625.15	18,669,420,168.91
Less: Bonds payable due within one year	1,644,024,100.89	5,819,055,820.36
Total	16,584,998,524.26	12,850,364,348.55

(b) Changes in bonds payable

Bonds	Par value	Value date	Bonds duration	Amount issued	31 December 2022
21 Xiangyu Jinxiang 01	100.00	2021/3/5	2+1 years	400,000,000.00	416,277,735.32
21 Xiangyu Jinxiang 02	100.00	2021/8/27	2+1 years	1,000,000,000.00	1,012,942,706.44
21 Xiangyu Jinxiang 03	100.00	2021/12/10	3 years	300,000,000.00	300,736,193.02
22 Xiangyu Jinxiang 01	100.00	2022/3/1	3 years	300,000,000.00	311,523,990.70
22 Xiangyu Jinxiang MTN001	100.00	2022/6/28	3 years	500,000,000.00	509,886,812.75

Bonds	Par value	Value date	Bonds duration	Amount issued	31 December 2022
HK XIANG YUN2301	100.00	2018/1/31	5 years	3,488,100,000.00	3,383,512,702.78
HK XY INV N2509	100.00	2022/9/22	3 years	3,470,523,000.00	2,111,263,475.72
20 Xiangyu G1	100.00	2020/3/12	3+2 years	1,600,000,000.00	1,637,333,157.22
20 Xiangyu G2	100.00	2020/3/12	5+2 years	600,000,000.00	614,411,050.98
21 Xiangyu G1	100.00	2021/4/12	2+1 years	500,000,000.00	512,637,227.20
22 Xiangyu G1	100.00	2022/2/24	2+1 years	1,000,000,000.00	1,024,190,703.50
22 Xiangyu G2	100.00	2022/2/24	3+2 years	850,000,000.00	871,542,227.20
22 Xiangyu G4	100.00	2022/11/24	3+2 years	1,200,000,000.00	1,200,735,774.56
22 Xiangyu GN003	100.00	2022/9/29	3 years	650,000,000.00	650,406,250.01
22 Xiangyu MTN001	100.00	2022/6/14	3 years	1,000,000,000.00	1,015,416,666.69
20 Xiangyu 01	100.00	2020/1/15	3+2 years	800,000,000.00	830,187,012.94
20 Xiangyu 02	100.00	2020/3/2	3+2 years	1,200,000,000.00	1,235,819,874.67
21 Xiangyu 02	100.00	2021/3/23	2+1 years	1,000,000,000.00	1,030,596,607.21
23 Xiangdi01	100.00	2023/7/5	2+1 years	1,340,000,000.00	
23 Xiangyu Jinxiang MTN001	100.00	2023/2/10	3 years	500,000,000.00	
23 Jinxiang 01	100.00	2023/3/13	2 years	500,000,000.00	
23 Jinxiang 02	100.00	2023/4/13	2 years	500,000,000.00	
23 Jinxiang 03	100.00	2023/7/25	2 years	1,000,000,000.00	
23 Xiangyu G1	100.00	2023/4/10	2+1 years	500,000,000.00	
23 Xiangyu G2	100.00	2023/4/10	3+2 years	700,000,000.00	
23 Xiangyu G3	100.00	2023/6/13	3 years	1,500,000,000.00	
23 Xiangyu G4	100.00	2023/7/7	3 years	560,000,000.00	
23 Xiangyu G5	100.00	2023/9/25	3 years	980,000,000.00	
Subtotal				27,938,623,000.00	18,669,420,168.91
Less: Bonds payable due within one year					5,819,055,820.36
Total					12,850,364,348.55

(Continued)

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2023
21 Xiangyu Jinxiang 01		3,348,662.74	354,599.94	419,980,998.00	
21 Xiangyu Jinxiang 02		28,718,816.68	1,390,626.88	1,043,052,150.00	
21 Xiangyu Jinxiang 03		15,000,000.00	313,543.02	15,000,750.00	301,048,986.04
22 Xiangyu Jinxiang 01		14,519,274.00	306,148.76	14,520,000.00	311,829,413.46
22 Xiangyu Jinxiang MTN001		21,300,000.00	1,234,885.35	22,243,396.23	510,178,301.87

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2023
HK XIANG YUN2301		1,788,750.00	-52,454,752.78	3,332,846,700.00	
HK XY INV N2509	1,345,713,000.00	30,637,500.00	32,127,316.12	27,930,000.00	3,491,811,291.84
20 Xiangyu G1		12,720,000.00	826,842.78	1,650,880,000.00	
20 Xiangyu G2		21,480,000.00	739,070.92	21,480,000.00	615,150,121.90
21 Xiangyu G1		6,550,000.00	462,772.80	519,650,000.00	
22 Xiangyu G1		34,300,000.02	3,883,434.59	34,300,000.00	1,028,074,138.11
22 Xiangyu G2		31,024,999.98	2,263,872.17	31,025,000.00	873,806,099.35
22 Xiangyu G4		50,880,000.00	1,153,459.77	50,880,000.00	1,201,889,234.33
22 Xiangyu GN003		23,075,000.00	1,968,825.19	23,075,000.00	652,375,075.20
22 Xiangyu MTN001		34,833,333.32	2,821,965.90	38,000,000.00	1,015,071,965.91
20 Xiangyu 01		1,212,054.79	200,932.27	831,600,000.00	
20 Xiangyu 02		7,080,000.00	780,125.33	1,243,680,000.00	
21 Xiangyu 02		8,996,712.33	526,680.46	1,040,120,000.00	
23 Xiangdi01	1,340,000,000.00	24,790,000.02	-2,119,203.90		1,362,670,796.12
23 Xiangyu Jinxiang MTN001	500,000,000.00	22,366,666.63	-1,999,371.07		520,367,295.56
23 Jinxiang 01	500,000,000.00	16,583,333.30	-1,050,545.00		515,532,788.30
23 Jinxiang 02	500,000,000.00	12,500,000.00	-1,141,933.76		511,358,066.24
23 Jinxiang 03	1,000,000,000.00	18,900,000.00	-2,463,928.08		1,016,436,071.92
23 Xiangyu G1	500,000,000.00	12,633,333.34	-1,413,768.30		511,219,565.04
23 Xiangyu G2	700,000,000.00	18,293,333.34	-2,312,559.92		715,980,773.42
23 Xiangyu G3	1,500,000,000.00	27,750,000.00	-6,297,266.69		1,521,452,733.31
23 Xiangyu G4	560,000,000.00	8,866,666.66	-1,892,311.26		566,974,355.40
23 Xiangyu G5	980,000,000.00	9,040,500.00	-3,244,948.17		985,795,551.83
Subtotal	9,425,713,000.00	519,188,937.15	-25,035,486.68	10,360,263,994.23	18,229,022,625.15
Less: Bonds payable due within one year					1,644,024,100.89
Total					16,584,998,524.26

6.40 Lease liabilities

Items	31 December 2023	31 December 2022
Lease payments	1,595,098,148.17	1,628,987,253.52
Less: Unrealised finance expenses	264,329,340.99	297,881,580.98
Subtotal	1,330,768,807.18	1,331,105,672.54
Less: lease liabilities due within one year	262,398,575.62	306,342,657.76
Total	1,068,370,231.56	1,024,763,014.78

6.41 Long-term Payables

(a) Long-term payables by category

Items	31 December 2023	31 December 2022
Long-term payables	1,998,129,908.07	1,262,437,797.88
Specific items payable	16,872,571.86	16,860,065.94
Subtotal	2,015,002,479.93	1,279,297,863.82
Less: Long-term payables due within one year	478,324,703.94	228,463,332.80
Total	1,536,677,775.99	1,050,834,531.02

(b) Long-term payables by nature:

Items	31 December 2023	31 December 2022
Lease payable	1,972,200,640.41	1,242,658,460.49
Payable in installments	13,821,865.18	13,408,770.68
Special bond for Sanqiutian Wharf reconstruction project	7,034,599.44	
The balance of construction agency funds and government funding	5,072,803.04	6,370,566.71
Subtotal	1,998,129,908.07	1,262,437,797.88
Less: Long-term payables due within one year	478,324,703.94	228,463,332.80
Total	1,519,805,204.13	1,033,974,465.08

(c) Top five closing balances of specific items payable

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Central Fishing Port Emergency Shelter	5,702,072.00			5,702,072.00
Construction funds for the Xiamen-Guzhou route project	4,116,552.58			4,116,552.58
Repair typhoon damage	1,295,296.00			1,295,296.00
Xiangxing Wulu Municipal Renovation Project	808,183.61			808,183.61
Reformation project of Free Trade Zone office building	792,000.00			792,000.00
Total	12,714,104.19			12,714,104.19

6.42 Long-term Employee Benefits Payable

Items	31 December 2023	31 December 2022
Other long-term employee benefits	687,022,629.73	917,061,381.11

6.43 Estimated Liabilities

Items	31 December 2023	31 December 2022
Outstanding litigations	580,912.10	928,479.39
Product warranties	9,163,593.56	5,904,812.77
Estimated liabilities of associates	72,864,620.67	39,050,559.12
Loss contracts to be executed		3,286,590.27
Total	82,609,126.33	49,170,441.55

Note: Estimated liabilities of associates are the debts expected to bear after offsetting the book value of the long-term equity investments of the associates.

6.44 Deferred Income

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Government grants	583,101,493.60	9,116,200.00	53,200,210.53	539,017,483.07

Note: For items related to government grants, please refer to Note 6.70.

6.45 Other Non-current Liabilities

Items	31 December 2023	31 December 2022
Entrust Loans		1,251,000,000.00
Payable ABS asset supported special plan		527,443,394.21
Factoring business financing payable	41,575,795.93	81,342,464.87
Other		13,918,180.23
Total	41,575,795.93	1,873,704,039.31

6.46 Share Capital

Name of shareholder	31 December 2023		31 December 2022	
	Proportion (%)	Amount	Proportion (%)	Amount
State-owned Assets Supervision and Administration Commission of Xiamen Government	100.00	1,775,908,300.00	100.00	1,775,908,300.00

6.47 Other Equity Instruments

Financial instruments issued	31 December 2022		Increase during the reporting period	
	Quantity (million)	Amount	Quantity (million)	Amount
20 Xiangyu Y2	11	1,100,000,000.00		
20 Xiangyu Y4	5.4	540,000,000.00		
Bairui Hengyi No. 1090 Single Fund Trust	20	500,000,000.00		

Financial instruments issued	31 December 2022		Increase during the reporting period	
	Quantity (million)	Amount	Quantity (million)	Amount
Xiamen Trust-Riguangyan No. 2210 CITIC Renewable Debt Investment Fund	5	500,000,000.00		
2022 Xiangyu MTN002	5	2,000,000,000.00		
Bairui Hengyi No. 1224 Single Fund Trust	5.7	570,000,000.00		
Xiamen Trust-Xingying No. 1 Single Fund Trust	2.7637	276,370,000.00		
Xiamen Trust-Xingying No. 2 Single Fund Trust	2.6336	263,360,000.00		
Xiamen Trust-Xingying No. 3 Single Fund Trust	3.6637	366,370,000.00		
Xiamen Trust-Xingying No. 4 Single Fund Trust	0.939	93,900,000.00		
2023 Xiangyu MTN001			2.3	2,300,000,000.00
2023 Xiangyu MTN002			10	1,000,000,000.00
Bank of Communications Guoxin-Yongfeng Hongli No. 3 Collective Fund Trust Plan			8.467	846,700,000.00
Total		6,210,000,000.00		4,146,700,000.00

(Continued)

Financial instruments issued	Decrease during the reporting period		31 December 2023	
	Quantity (million)	Amount	Quantity (million)	Amount
20 Xiangyu Y2	1.1	1,100,000,000.00		
20 Xiangyu Y4	5.4	540,000,000.00		
Bairui Hengyi No. 1090 Single Fund Trust			20	500,000,000.00
Xiamen Trust-Riguangyan No. 2210 CITIC Renewable Debt Investment Fund	5	500,000,000.00		
2022 Xiangyu MTN002			5	2,000,000,000.00
Bairui Hengyi No. 1224 Single Fund Trust			5.7	570,000,000.00
Xiamen Trust-Xingying No. 1 Single Fund Trust			2.7637	276,370,000.00
Xiamen Trust-Xingying No. 2 Single Fund Trust			2.6336	263,360,000.00
Xiamen Trust-Xingying No. 3 Single Fund Trust			3.6637	366,370,000.00
Xiamen Trust-Xingying No. 4 Single Fund Trust			0.939	93,900,000.00
2023 Xiangyu MTN001			2.3	2,300,000,000.00
2023 Xiangyu MTN002			10	1,000,000,000.00

Financial instruments issued	Decrease during the reporting period		31 December 2023	
	Quantity (million)	Amount	Quantity (million)	Amount
Bank of Communications Guoxin-Yongfeng Hongli No. 3 Collective Fund Trust Plan			8.467	846,700,000.00
Total		2,140,000,000.00		8,216,700,000.00

Note:

a) On 24 February 2020, the Company publicly issued 2020 renewable corporate bonds (second tranche) (referred to as "20 Xiangyu Y2") to qualified investors. The bond has a maturity of 3+N years. The par interest rate for the first cycle of the current period is 4.35%, which RMB1,100 million was received.

b) On 14 September 2020, the Company publicly issued 2020 renewable corporate bonds (second tranche) (referred to as "20 Xiangyu Y4") to qualified investors. The bond has a maturity of 3+N years. The par interest rate for the first period of the current period is 4.80%, which RMB 540 million was received.

c) On 26 August 2022, the Company publicly issued medium-term notes (second tranche) (referred to as "2022 Xiangyu MTN002") to qualified investors. The bond has a maturity of 3+N years. The par interest rate for the first period of the current period is 4.01%, which RMB 2 billion was received.

d) On 30 March 2022, Bridge Trust Co., Ltd. established the "Bairui Hengyi No. 1090 Single Fund Trust (Xiangyu Group)" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 500 million.

e) On 18 August 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Sunlight Rock No. 2210 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 500 million.

f) On 27 December 2022, Bridge Trust Co., Ltd. established the "Bairui Hengyi No. 1224 Collective Fund Trust Plan (Xiangyu Group)" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 570 million.

g) On 30 September 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 276.37 million.

h) On 30 September 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 263.36 million.

i) On 30 September 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 366.37 million.

j) On 7 November 2022, Xiamen International Trust Co., Ltd. established "Xiamen Trust-

Xingying No. 1 Single Fund Trust" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 93.9 million.

k) On 30 March 2023, the Company publicly issued 2023 renewable corporate bonds (first tranche) (referred to as "2023 Xiangyu MTN001") to qualified investors. The bond has a maturity of 2+N years. The par interest rate for the first cycle of the current period is 4.1%, which RMB2,300 million was received.

l) On 25 September 2023, the Company publicly issued 2023 renewable corporate bonds (second tranche) (referred to as "2023 Xiangyu MTN002") to qualified investors. The bond has a maturity of 2+N years. The par interest rate for the first cycle of the current period is 4.08%, which RMB1,000 million was received.

m) On 31 March 2023, Bank of Communications International Trust Co., Ltd. established "Bank of Communications Guoxin-Yongfeng Hongli No. 3 Collective Fund Trust Plan" and invested the Company's renewable creditor's rights with the trust funds under the trust. The investment amount is RMB 1,500 million, which RMB 846.7 million was received.

6.48 Capital Reserves

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Capital premium	8,932,624,631.33	1,233,031,306.46	57,801,177.62	10,107,854,760.17
Other capital reserves	1,248,177,853.41	59,799,016.65	65,242,610.55	1,242,734,259.51
Total	10,180,802,484.74	1,292,830,323.11	123,043,788.17	11,350,589,019.68

Note:

(a) Capital premium

i) The Xiamen Municipal Bureau of Finance and State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government allocated funds to increase the capital premium of RMB 66,800,000.00.

ii) Due to the increase and adjustment of assets allocated by the Xiamen Municipal Bureau of Finance and State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government, the capital premium increased by RMB 1,131,483,427.11.

iii) The medium-term notes and renewable corporate bond underwriting fees paid in the current period offset the capital premium by RMB 9,977,905.68.

iv) The subsidiary Xiamen International Cruise Home Port Group Co., Ltd. constructs the terminal building and 0-4# berths, and the financial appropriation was converted into a capital premium of RMB 29,632,354.05.

v) When purchasing the subsidiary's minority shareholders' equity, the difference between the newly acquired long-term equity investment by the Company and the proportionate share of the subsidiary's net assets, calculated continuously from the date of purchase or merger according to the new shareholding ratio, resulted in an increases in the capital premium by RMB

5,115,525.30.

vi) Due to the equity incentives, the Company's equity interest in Xiamen Xiangyu Co., Ltd. was diluted but the control right was not lost. The difference between the investment amount of minority shareholders and the share of net assets at the time of capital reduced the capital reserve by RMB 47,823,271.94.

(b) Other capital reserves

i) Under the equity method of long-term equity investment, Xiamen Modern Terminal Co., Ltd. has changes in special reserves in the current period. The Company recognized its portion based on the shareholding ratio and other capital reserves was decreased by RMB 92,783.99.

ii) Under the equity method of long-term equity investment, Jinzhou Port Xiangyu Grain Logistics Co., Ltd. has changes in other changes in owner's equity in the current period. The Company recognized its portion based on the shareholding ratio and other capital reserves was increased by RMB 1,364.63.

iii) Under the equity method of long-term equity investment, Coalmine Aluminum (Sanmenxia) Company Limited has changes in other changes in owner's equity in the current period. The company recognized its portion based on the shareholding ratio and other capital reserves was decreased by RMB 1,337,610.64.

iv) Under the equity method of long-term equity investment, Harbin Rural Commercial Bank Co., Ltd. has changes in other changes in owner's equity in the current period. The company recognized its portion based on the shareholding ratio and other capital reserves was increased by RMB 837,258.03.

v) Under the equity method of long-term equity investment, Fujian Port Group Co., Ltd. has changes in other changes in owner's equity in the current period. The company recognized its portion based on the shareholding ratio and other capital reserves was increased by RMB 3,003,828.00.

vi) For equity-settled share-based payment, the Company uses the share price at the end of the period as the basis. If the amount that is expected to be deducted before tax in future period exceeds the costs and expenses recognized during the vesting period, the corresponding excess in deferred income tax assets will be included in owners' equity. Additionally, other capital reserves increased by RMB 7,687,479.55.

vii) The expenses of equity-settled share-based payment during the current period which was deducted the amount borne by the minority shareholders was charged to other capital reserves by RMB 3,341,065.32.

viii) Due to the lifting of restricted shares, the exercise of share options, and the targeted issuance of restricted stocks to equity incentive recipients, other capital reserves increased by RMB 44,928,021.12 during the reporting period.

ix) The restricted shares granted to individuals who resigned or failed the assessment were registered and cancelled, leading to a reduction in other capital reserves by RMB 12,733,117.95.

x) Due to the registration fee and transfer fee paid for equity incentive grant and repurchase,

the capital reserve was reduced by RMB 19,246.34.

xi) The underwriting fees for medium-term notes and renewable corporate bonds paid in the current period offset the capital premium by RMB 8,647,801.63.

xii) When Xiangyu Real Estate Group Co., Ltd purchased equity from the subsidiary's minority shareholders, the difference between the newly acquired long-term equity investment and the proportionate share of the subsidiary's net assets, continuously calculated from the date of purchase or merger based on the new shareholding ratio, resulting in a decrease in the capital premium by RMB 42,412,050.00.

6.49 Other Comprehensive Income

Items	31 December 2022	Changes during the reporting period		
		Amount before tax	Less: Items previously recognized in other comprehensive income being reclassified to current profit or loss	Less: Income tax expenses
(a) Items will not be reclassified to profit or loss	9,708,171.61	-361,663,775.95		
Including: comprehensive income will not be reclassified into profit or loss under equity method	9,708,171.61	-361,663,775.95		
(b) Items will be reclassified to profit or loss	285,057,496.39	68,978,764.12	-76,822,375.45	9,257,191.62
Including: Changes in fair value of other debt investment	21,599,987.67	16,172,823.07		
Reclassification of financial assets to other comprehensive income				
Cash flow hedge reserve	-8,633,966.94	-56,431,639.18	-76,822,375.45	9,257,191.62
Exchange differences on translating foreign operations	272,091,475.66	109,237,580.23		
Total	294,765,668.00	-292,685,011.83	-76,822,375.45	9,257,191.62

(Continued)

Items	Changes during the reporting period		31 December 2023
	Attributable to owners of the Company	Attributable to non-controlling interest	
(a) Items will not be reclassified to profit or loss	-361,744,195.19	80,419.24	-352,036,023.58
Including: comprehensive income will not be reclassified into profit or loss under equity method	-361,744,195.19	80,419.24	-352,036,023.58
(b) Items will be reclassified to profit or loss	57,283,721.53	79,260,226.42	342,341,217.92
Including: Changes in fair value of other debt investment			
Reclassification of financial assets to other comprehensive income	12,811,096.72	3,361,726.35	34,411,084.39
Cash flow hedge reserve	-479,977.35	11,613,522.00	-9,113,944.29
Exchange differences on translating foreign operations	44,952,602.16	64,284,978.07	317,044,077.82
Total	-304,460,473.66	79,340,645.66	-9,694,805.66

6.50 Specific Reserves

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Safety fund	7,745,162.56	10,183,578.82	17,269,277.58	659,463.80

6.51 Surplus Reserves

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
Statutory surplus reserves	337,026,693.13	79,575,445.96		416,602,139.09

6.52 General risk reserves

Items	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023
General risk reserves	26,428,873.80		4,090,414.55	22,338,459.25

6.53 Retained Earnings

Items	2023	2022
Balance as at the end of last period before adjustments	8,519,865,410.08	7,403,614,417.31
Adjustments for the opening balance (increase/(decrease))		
Balance as at the beginning of the reporting period after adjustments	8,519,865,410.08	7,403,614,417.31
Add:	106,277,001.53	2,016,687,415.58

Items	2023	2022
Including: net profit attributable to owners of the parent company for the reporting period	102,864,345.88	2,014,992,284.10
Other adjustments	3,412,655.65	1,695,131.48
Less:	823,825,872.69	900,436,422.81
Including: appropriation to statutory surplus reserves	79,575,445.96	88,237,153.21
Provision for general risk reserves	-4,090,414.55	2,169,604.01
Payment of ordinary share dividends	748,340,841.28	810,029,665.59
Balance at the end of the reporting period	7,802,316,538.92	8,519,865,410.08

6.54 Revenue and costs of sales

Items	2023		2022	
	Revenue	Costs of sales	Revenue	Costs of sales
I. Principal activities				
Commodity supply chain and service	431,621,894,688.85	424,491,128,204.27	507,691,838,773.25	497,610,028,308.54
Commercial housing revenue	7,565,516,266.05	5,425,871,210.10	5,121,044,418.62	3,594,237,608.74
Similar financial revenue	2,178,906,270.62	153,097,878.41	1,858,920,818.27	141,339,689.41
Product sales and others	47,343,663,920.53	46,175,668,172.19	46,152,762,785.10	43,888,642,869.37
Subtotal	488,709,981,146.05	476,245,765,464.97	560,824,566,795.24	545,234,248,476.06
II. Other activities	1,788,177,672.57	1,208,183,932.33	1,796,967,097.68	1,129,420,321.20
Total	490,498,158,818.62	477,453,949,397.30	562,621,533,892.92	546,363,668,797.26

6.55 Selling and Distribution Expenses

Items	2023	2022
Operating expenses	1,048,148,460.19	913,518,042.16
Employee compensation	1,067,907,038.35	1,652,770,167.06
Office expenses and depreciation	282,818,198.62	222,844,543.76
Functional expense	486,158,471.71	405,993,933.62
Total	2,885,032,168.87	3,195,126,686.60

6.56 General and Administrative Expenses

Items	2023	2022
Employee compensation	1,458,249,929.14	1,418,678,625.26
Administrative expense	462,533,008.96	506,360,834.27
Management & operating expenses	708,636,808.33	673,904,770.11

Items	2023	2022
Other expense	44,679,671.97	52,204,963.48
Total	2,674,099,418.40	2,651,149,193.12

6.57 Research and Development Expenses

Items	2023	2022
Labour cost	57,765,741.87	35,615,628.68
Material cost	30,070,276.35	58,908,854.84
Others	78,988,588.34	32,510,434.37
Total	166,824,606.56	127,034,917.89

6.58 Finance Costs

Items	2023	2022
Interest expenses	5,700,191,301.85	5,109,202,016.61
Less: Capitalization of interests	917,361,088.98	1,015,872,518.55
Less: Interest income	688,039,178.05	518,486,858.15
Net interest expenses	4,094,791,034.82	3,574,842,639.91
Net foreign exchange losses	401,365,630.51	-1,327,241,094.82
Bank charges and others	379,545,941.27	452,639,761.38
Total	4,875,702,606.60	2,700,241,306.47

6.59 Other Income

Items	2023	2022
Government grant related to deferred income (related to assets)	53,200,210.53	47,259,720.93
Government grant directly included in the current profit and loss (related to income)	716,585,336.40	553,141,596.22
Others	12,319,783.96	13,304,329.89
Total	782,105,330.89	613,705,647.04

6.60 Investment Income/(Losses)

Items	2023	2022
Investment income from long-term equity investments under equity method	317,432,257.69	144,207,184.33
Gains on disposal of long-term equity investments	76,142,663.16	1,127,566,794.87
Investment income from the ineffective portion of the hedging instrument	-16,028,104.97	2,349,506.73
Performance commitment compensation income	46,549,285.30	23,757,768.42
Investment income from held-for-trading financial assets during holding period	283,035,697.01	40,027,136.45

Items	2023	2022
Investment income obtained from subsidiaries not under common control		19,217,982.46
Gains from cooperative planting and cooperative harvesting	24,755,851.25	45,590,561.61
Interest income from debt investment during holding period	107,900,512.52	74,852,391.63
Gain on disposal of debt investment		-2,521,480.97
Gains on derecognition of financial assets at amortised cost	-87,184,392.26	-143,769,519.55
Gains on derecognition of financial assets at fair value through other comprehensive income	-152,828,968.86	-234,357,861.05
Gains on disposal of held-for-trading financial assets	-100,004,957.04	42,425,033.23
Others	-635,112.69	
Total	499,134,731.11	1,139,345,498.16

6.61 Gains/(Losses) from Changes in Fair Values

Sources of gains on changes in fair value	2023	2022
Financial assets held-for-trading	425,989,819.27	-642,596,377.84
Gains from changes of fair value of hedging instrument and hedged item	23,889,757.05	-14,972,671.26
Total	449,879,576.32	-657,569,049.10

6.62 Credit Impairment Losses

Items	2023	2022
Bad debt of notes receivable	-4,327,080.92	4,931,953.23
Bad debt of accounts receivable	-191,208,622.93	-102,209,787.72
Loss of interest receivables	1,260,849.90	-740,599.90
Bad debt of other receivables	-996,593,017.58	-143,017,200.13
Bad debt of long-term receivables	-8,984,759.90	-17,234,872.27
Impairment of loans	31,498,075.66	-52,467,735.73
Impairment of factoring	-27,288,207.35	-6,100,512.66
Total	-1,195,642,763.12	-316,838,755.18

6.63 Asset Impairment Losses

Items	2023	2022
Impairment of inventories and cost to fulfill a contract	-752,840,092.57	-937,758,779.51
Impairment of advances to suppliers	-8,592,500.00	
Impairment of contract assets	-123,713.30	-457,882.09
Impairment of long-term equity investments	-3,840,117.89	
Impairment of investment properties	-427,083.05	

Items	2023	2022
Impairment of fixed assets	-19,855,950.62	-19,849,873.49
Impairment of construction in progress		-1,496,998.69
Impairment of construction in progress		-3,970,658.47
Total	-785,679,457.43	-963,534,192.25

6.64 Gains/ (losses) from Disposal of Assets

Items	2023	2022
Gains/(losses) from disposal of fixed assets and intangible assets not classified as held for sale	51,125,098.22	37,783,601.75
Including: Fixed assets	23,279,807.73	36,300,483.44
Intangible assets	20,533,566.25	51,469.30
Right of use assets	7,311,724.24	1,431,649.01
Total	51,125,098.22	37,783,601.75

6.65 Non-operating Income**(a) Details of non-operating income**

Items	2023	2022
Compensation and liquidated damages	318,115,459.84	391,495,432.44
Government grants irrelevant to daily operation activities	110,780.00	135,147,797.15
Gains from the difference between the investment cost and the fair value of the identifiable net assets obtained at the acquisition of subsidiary	560,629.61	20,446,201.00
Others	43,933,221.66	124,363,787.88
Total	362,720,091.11	671,453,218.47

(b) Government grants irrelevant to daily operation activities

Items	2023	2022
Enterprise support development fund and tax incentives	100,000.00	470,000.00
Purchase and storage of 1-3 plots of 2011XP03 South of Taiwan Small Commodity Trading Market in Xiamen City Land Development Center		134,477,797.15
Others	10,780.00	200,000.00
Total	110,780.00	135,147,797.15

6.66 Non-operating Expenses

Items	2023	2022
Fine and late payment penalty	9,577,324.78	35,442,136.33
Liquidated damages and compensation	122,428,389.03	227,818,191.17

Items	2023	2022
Loss from damage or scrapping of non-current assets	12,148,974.72	8,098,906.51
Donations	5,646,700.53	129,450,249.86
Others	2,914,329.00	11,631,077.05
Total	152,715,718.06	412,440,560.92

6.67 Income Tax Expenses

Items	2023	2022
Current tax expenses	2,174,803,393.07	2,626,769,586.85
Deferred tax expenses	-1,826,043,610.27	-848,791,382.09
Total	348,759,782.80	1,777,978,204.76

6.68 Supplementary Information to the Statement of Cash Flows

(a) Supplementary information to the statement of cash flows

Supplementary information	2023	2022
(i) Adjustments of net profit to cash flows from operating activities:		
Net profit	995,196,008.13	4,840,910,813.44
Add: Provisions for impairment of assets	785,679,457.43	963,534,192.25
Impairment Loss of Credit	1,195,642,763.12	316,838,755.18
Depreciation of fixed assets and investment Properties	2,782,620,094.17	2,374,896,777.80
Depreciation of right-of-use assets	289,435,623.32	251,092,641.69
Amortisation of intangible assets	140,965,051.95	130,625,515.49
Amortisation of long-term deferred expenses	114,766,107.68	70,883,097.78
Losses /(gains) on disposal of fixed assets, intangible assets and other long-term assets	-51,125,098.22	-37,783,601.75
Losses /(gains) on scrapping of fixed assets	12,143,894.03	6,484,054.49
Losses /(gains) on changes in fair value	-449,879,576.32	657,569,049.10
Finance costs /(income)	5,224,295,914.99	4,669,419,641.64
Investment losses /(income)	-499,134,731.11	-1,139,345,498.16
Decreases /(increases) in deferred tax assets	-1,451,635,244.26	-1,055,412,553.42
Increases /(decreases) in deferred tax liabilities	-390,150,766.98	206,621,171.32
Decreases /(increases) in inventories	-11,282,269,317.54	-30,636,440,335.83
Decreases /(increases) in operating receivables	-5,355,478,811.23	-10,749,655,290.95
Increases /(decreases) in operating payables	16,614,265,916.57	41,690,182,853.20
Others	87,675,916.42	291,317,383.54
Net cash flows from operating activities	8,763,013,202.15	12,851,738,666.81
(ii) Significant activities not involving cash receipts and payments:		

Supplementary information	2023	2022
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under finance leases		
(iii) Net increases in cash and cash equivalents:		
Cash at the end of the reporting period	32,636,298,473.08	30,907,507,037.96
Less: Cash at the beginning of the reporting period	30,907,507,037.96	18,693,535,453.90
Add: Cash equivalents at the end of the reporting period		
Less: Cash equivalents at the beginning of the reporting period		
Net increase in cash and cash equivalents	1,728,791,435.12	12,213,971,584.06

(b) The components of cash and cash equivalents

Items	31 December 2023	31 December 2022
(i) Cash	32,636,298,473.08	30,907,507,037.96
Including: Cash on hand	648,735.69	9,301,541.14
Cash in bank available for immediate use	30,757,866,711.95	29,745,347,745.35
Other monetary funds available for immediate use	1,877,783,025.44	1,152,857,751.47
(ii) Cash equivalents		
Including: Bond investments maturing within three months		
(iii) Cash and cash equivalents at the end of the reporting period	32,636,298,473.08	30,907,507,037.96

6.69 Assets with restricted ownership or right-of-use

Items	Carrying amount at 31 December 2023	Reason
Cash and cash equivalents	5,340,878,303.56	Margin, frozen funds, pre-sale supervision accounts, time deposit certificates and accrued interest, etc.
Notes receivable	622,819,362.57	Pledge, endorsed or discounted without termination
Accounts receivable	97,281,234.59	Pledge
Accounts receivable financing	2,180,189.00	Pledge
Inventories	5,918,193,038.28	Mortgage, pledge, after-sale repurchase
Non-current assets maturing within one year	9,335,994.60	Pledge
Investment properties	485,979,625.06	Mortgage, Property preservation guarantee
Fixed assets	18,384,650,721.43	Mortgage, sale and leaseback financing restricted, property preservation guaranteed

Items	Carrying amount at 31 December 2023	Reason
Construction in progress	2,258,842,156.16	Mortgage
Intangible assets	738,212,981.83	Mortgage
Other current assets	5,038,311,156.01	Pledge
Long-term receivables	48,254,679.33	Pledge
Non-current assets	1,009,713,247.55	Pledge
Total	39,954,652,689.97	

Note: Except for the restricted assets above, details of the Company's equity pledge are as follows:

(i) The subsidiary Xiamen Xiangdao Logistics Co., Ltd. has a pledged loan with 100% equity of Xinjiang Xiangdao Logistics Co., Ltd. as the pledge, and loan amount is RMB 200,000,000.00.

(ii) The subsidiary Xiamen Xiangsheng Nickel Industry Co., Ltd. pledged 100% equity of Hong Kong Xiangyu Hansheng CO., Limited. The subsidiary Hong Kong Xiangyu Hansheng CO., Limited pledged 100% equity of Xiangyu Hansheng(Singapore) Pte. Ltd and 99% equity of PT Obsidian Stainless Steel., The subsidiary Xiangyu Hansheng(Singapore) Pte. Ltd pledged 1% equity of PT Obsidian Stainless Steel for the syndicated loan of PT Obsidian Stainless Steel. As at 31 December, the outstanding loan amount is RMB 4,839,163,852.28.

(iii) The subsidiary Hangzhou Lanhui Enterprise Management Consulting Co., Ltd provides a pledge guarantee to Hengfeng Bank Co., Ltd., Shaoxing Branch, with 100% equity of Shaoxing Yunhui Real Estate Co., Ltd.. and Hengfeng Bank Co., Ltd., Shaoxing Branch provides the loans of RMB 1,284,000,000.00 to Shaoxing Yunhui Real Estate Co., Ltd.. The subsidiary Xiangyu Real Estate Group Co., Ltd. offers a pledge guarantee to Hengfeng Bank Co., Ltd., Suzhou Taicang Branch with 55% equity of Suzhou Zhizhe Real Estate Development Co., Ltd., and Hengfeng Bank Co., Ltd. Suzhou Taicang Branch provides loans of RMB 165,000,000.00 to Suzhou Zhizhe Real Estate Development Co., Ltd..

(iv) The subsidiary Xiamen International Cruise Home Port Group Co., Ltd. used its legal rights in assets proceeds, ie. the cruise business, passenger rolling business and other income of the corresponding loan project, to provide pledge guarantee for the loan and borrowed RMB 57,495,493.69 from the bank, with XMXYG Corporation as guarantor for the loan. Xiamen International Cruise Home Port Group Co., Ltd. pledged its 100% equity interest in Xiamen Xiangyu Development Co. Ltd., Industrial and Commercial Bank of China Limited Xiamen Pilot Free Trade Zone Branch provided a loan of RMB 223,000,000.00, with XMXYG Corporation as guarantor for the loan.

(v) The subsidiary Xiamen Mintai Central Fishing Port Construction Development Co., Ltd. pledged the accounts receivable (rent) from the Fujian-Taiwan Central Fishing Port Cold Storage Project to obtain a loan of RMB 74,700,000.00 from the Agricultural Bank of China Limited, Xiamen Pilot Free Trade Zone. XMXYG Corporation served as guarantor for the loan.

6.70 Government Grants

(a) Government grants recognised as receivables

(b) Liability items that involve government grants

Items presented in the statement of financial position	Balance as at 31 December 2022	Increase in government grants during the reporting period	Amount recognised in non-operating income during the reporting period	Amount recognised in other income during the reporting period	Other changes during the reporting period	Balance as at 31 December 2023	Related to assets or income
Deferred income	583,101,493.60	9,116,200.00		53,200,210.53		539,017,483.07	Related to assets

(c) Government grants recognised in current profit or loss

Items	2023
Related to assets	53,200,210.53
Related to income	721,361,974.21
Total	774,562,184.74

6.71 Hedges

(a) Risk management of hedging activities

Items	Risk management strategy and objective	Qualitative and quantitative information of hedged items	Economic relationship between the hedged items and the corresponding hedging instruments	Realisation of the expected effective risk management objectives	Impact of corresponding hedging activities on risk exposure
Commodity Derivatives Trading	Starting with risk management, conduct hedging operations for supporting spot goods to mitigate and prevent the risk of market price fluctuations	Hedging against price fluctuations of spot commodities by adjusting futures contract positions in proportion to the holdings of spot commodities	The primary variable is the commodity price. The company engages in buying and selling futures commodities in the futures market that are highly correlated with its spot commodities and are of equivalent quantities. The values of the hedged items and the hedging instruments are expected to move in opposite directions because they are exposed to the same hedging risks, establishing a hedging relationship.	The Company has designed an internal control management system for its foreign exchange derivatives business in accordance with relevant laws and regulations. It has established corresponding organizational structures and business processes, and it maintains risk control within defined limits, thus stabilizing production and operational	By engaging in hedging activities, the Company fully leverages the hedging capabilities of the derivatives market to mitigate the risks associated with fluctuations in commodity and foreign exchange prices, thereby minimizing their impact on the Company's
Foreign exchange derivatives trading	In terms of the Company's import and export scale, the principle of	Hedging foreign exchange receipts and payments for	Engage in forward foreign exchange settlement and sales that are closely aligned with the timing and		

Items	Risk management strategy and objective	Qualitative and quantitative information of hedged items	Economic relationship between the hedged items and the corresponding hedging instruments	Realisation of the expected effective risk management objectives	Impact of corresponding hedging activities on risk exposure
	exchange rate neutrality is adopted to avoid and prevent the risk of exchange rate fluctuations.	commodity purchases and sales, and maintain foreign exchange contracts in line with the planned import payments and export collections to support business development	amount of foreign exchange collections and payments for commodity purchases and sales, effectively hedging against the foreign exchange market risks associated with the business of collecting and paying funds denominated in foreign currencies.	activities.	normal operations.

(b) Details of qualified hedges transaction and the application of hedge accounting

Items	Carrying amount of hedging instruments and hedged items	Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item recognised	Hedge effectiveness and the sources of hedge ineffectiveness	Impact of hedge accounting on the financial statement
Categories of hedging risk				
Commodity Price Risk-Derivative Financial Assets	19,550,562.61	-6,863,324.55	Correlation between hedged items and hedging instruments	-53,341,227.92
Commodity Price Risk-Derivative Financial Liabilities	7,308,450.45			
Commodity Price Risk-Other Liquid Assets	7,451,621.41			
Commodity price risk-other current liabilities	14,314,945.96			
Commodity Price Risk-Other Comprehensive Income	-17,833,956.25			
Foreign Exchange Risk-Derivative Financial Assets	11,900,849.14	46,750,313.84	Correlation between hedged items and hedging instruments	46,750,313.84
Foreign Exchange Risk - Derivative Financial Liabilities	53,586,052.29			
Foreign Exchange Risk - Other Liquid Assets	46,750,313.84			
Categories of hedges				
Fair Value Hedging - Derivative Financial Assets	28,458,687.69	39,886,989.29	Correlation between hedged items and	-19,843,459.16
Fair value hedging-derivative financial liabilities	57,111,668.08			

Fair value hedge - other current assets	54,201,935.25		hedging instruments	
Fair value hedge - other current liabilities	14,314,945.96			
Cash flow hedging-derivative financial assets	2,992,724.06	N/A	Correlation between hedged items and hedging instruments	13,252,545.08
Cash flow hedging-derivative financial liabilities	3,782,834.66			
Cash flow hedging - other comprehensive income	-17,833,956.25			

(c) The company carries out hedging business for risk management and expects to achieve risk management objectives but does not apply hedging accounting.

Items	Reasons why hedge accounting is not applied	Impact on financial statements
Commodity price risk, foreign exchange risk	To support the core business of spot operations, the Company utilizes futures instruments and foreign exchange contracts to hedge against the risks of commodity prices and exchange rate fluctuations. However, based on the cost-benefit principle, hedging accounting has not yet been fully implemented.	182,259,196.59

7. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

7.1 General Information of Subsidiaries

Details of the subsidiaries please refer to Notes 5.1.

7.2 Details of other related parties trading with or with outstanding to the Company during the reporting period

Name	Relationship with the Company
Tianjin Tian An Science Parks Development Limited	Subsidiaries affiliated with directors, supervisors and senior management
Xiamen Xiangyu Cai Elderly Nursing Center	Subsidiaries affiliated with directors, supervisors and senior management
Xiamen Container Terminal Group Co., Ltd.	Associates, joint ventures
Xiamen Hongyu Supply Chain Co., Ltd.	Associates, joint ventures
Gao'an Chenghui Supply Chain Co., Ltd.	Associates, joint ventures
Xiamen Gold investment Co., Ltd.	Associates, joint ventures
Port of Jinzhou Xiangyu Grain Co., Ltd.	Associates, joint ventures
Port of Dalian Xiangyu Grain Logistics Co., Ltd.	Associates, joint ventures
Xiamen Modern Terminal Co., Ltd.	Associates, joint ventures
Xiamen International Logistics Port Co. Ltd.	Associates, joint ventures
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Associates, joint ventures
Xiamen Internet of Thing Industry Research Institute Co., Ltd.	Associates, joint ventures
Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	Associates, joint ventures

Name	Relationship with the Company
Hubei Guomao Ludao Supply Chain Co., Ltd.	Associates, joint ventures
Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	Associates, joint ventures
Nanping Ruifeng Real Estate Co., Ltd.	Associates, joint ventures
Suzhou Ruitai Real Estate Development Co., Ltd.	Associates, joint ventures
Fujian Xiangyu Real Estate Development Co., Ltd.	Associates, joint ventures
Bci'an Xiangyu Thermal Power Co., Ltd.	Associates, joint ventures
Xiamen Xiangyu Junxin Venture Capital Partnership (limited Partnership)	Associates, joint ventures
Nanjing Xujiang Real Estate Development Co., Ltd.	Associates, joint ventures
Ruiyu Xingxi Xianning Equity Investment Partnership LLP	Associates, joint ventures
Xiamen Xihaiwan Cruise City Investment Co., Ltd.	Associates, joint ventures
Xiamen Xiangsheng Investment Partnership LLP	Associates, joint ventures
Xiamen Xiangrui Investment Partnership (Limited Partnership)	Associates, joint ventures
Shanghai Zhaoyu Real Estate Co., Ltd.	Associates, joint ventures
Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	Associates, joint ventures
Fujian Youhao Supply Chain Management Co., Ltd.	Associates, joint ventures
Xiamen Mintai Ferry Co., Ltd.	Associates, joint ventures
Xiamen Rural Commercial Bank Co., Ltd.	Associates, joint ventures
Xiamen Zhaogang Luhe Property Management Co., Ltd.	Associates, joint ventures
Shanghai Pancheng Real Estate Development Co., Ltd.	Associates, joint ventures
Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	Associates, joint ventures
Shanghai Xiangyu Logistics Development Co., Ltd.	Associates, joint ventures
Xiamen Financial Leasing Co., Ltd.	Associates, joint ventures
Suzhou Yutai Real Estate Development Co., Ltd.	Associates, joint ventures
Fuzhou Fengshunxiang Investment Co., Ltd.	Associates, joint ventures
Xiamen Xiangyang Investment Co., Ltd.	Associates, joint ventures
Crystal Idea Management Limited	Associates, joint ventures
Kunshan Xierui Real Estate Development Co., Ltd.	Associates, joint ventures
Hebei Xiangyu Zhengfeng Real Estate Co. Ltd.	Associates, joint ventures
Suzhou Xiangyu Real Estate Co., Ltd.	Associates, joint ventures
Kunshan Jincui Real Estate Co., Ltd.	Associates, joint ventures
Xiamen Xiangyu Chuangying Investment Partnership LLP	Associates, joint ventures
Xiamen Xiangyu Chuangfu Investment Partnership LLP	Associates, joint ventures

Name	Relationship with the Company
Xiamen Xiangrun Investment Partnership (Limited Partnership)	Associates, joint ventures
Fuzhou Xiangyu Ruoke Equity Investment Partnership LLP	Associates, joint ventures
Fujin Xiangyu Thermal Power Co., Ltd.	Associates, joint ventures
Xiamen Chenhui Investment Partnership (Limited Partnership)	Associates, joint ventures
Xiamen Chenhuan Investment Partnership (Limited Partnership)	Associates, joint ventures
Fuzhou Liyu Investment Partnership (Limited Partnership)	Associates, joint ventures
Suzhou Ruizhi Real Estate Development Co., Ltd.	Associates, joint ventures
Shenzhen Zhongnan Chengzhang Investment Management Co., Ltd.	Associates, joint ventures
Xiamen Xiangying Investment Partnership (Limited Partnership)	Associates, joint ventures
Xiamen Chenxin Investment Partnership (Limited Partnership)	Associates, joint ventures
Xiamen Xiangyu Pengrui Investment Partnership (General Partnership)	Associates, joint ventures
Nanjing Kaitai Venture Capital Partnership LLP	Associates, joint ventures
Xiamen Chenli Investment Partnership (Limited Partnership)	Associates, joint ventures
Fujian Xiangyu Property Service Co., Ltd.	Subsidiaries of associates, joint ventures
Zhejiang Anxin Trading Co., Ltd.	Subsidiaries of associates, joint ventures
Inner Mongolia Minghua Clean Energy Co., Ltd.	Subsidiaries of associates, joint ventures
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Subsidiaries of associates, joint ventures
Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	Subsidiaries of associates, joint ventures
Urad Zhongqi Yiteng Mining Co., Ltd.	Subsidiaries of associates, joint ventures
E-Reach (Ningbo) Container Co., Ltd.	Subsidiaries of associates, joint ventures
Xiaozheng Yilian (Beijing) Enterprise Management Co., Ltd.	Subsidiaries of associates, joint ventures
Tianjin Jizhi Intelligent Logistics Co., Ltd.	Subsidiaries of associates, joint ventures
Bayan Nur G-Reach Co., Ltd.	Subsidiaries of associates, joint ventures
Hainan Jiabin Smart Logistics Co., Ltd.	Subsidiaries of associates, joint ventures
Zhejiang Jinliantong International Trading Co., Ltd.	Subsidiaries of associates, joint ventures
HangJin International Trading Co., Ltd.	Subsidiaries of associates, joint ventures
Xiaoyi Jinrui Trade Co., Ltd.	Subsidiaries of associates, joint ventures
Pinglu Jin Ping Mining Co., Ltd.	Subsidiaries of associates, joint ventures
Guangxi Tiandong Jinxin Chemical Co., Ltd.	Subsidiaries of associates, joint ventures
Cayman (Shanxian) Energy Comprehensive Utilization Company Limited	Subsidiaries of associates, joint ventures
Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	Subsidiaries of associates, joint ventures

Name	Relationship with the Company
Fujian Dengyun Real Estate Development Co., Ltd.	Subsidiaries of associates, joint ventures
Guangxi Tiandong Jinsheng Chemical Co., Ltd.	Subsidiaries of associates, joint ventures
Tianjin Tian'an Smart Port Property Service Co., Ltd.	Subsidiaries of associates, joint ventures
Zhihui (Tianjin) Business Operation Management Co., Ltd.	Subsidiaries of associates, joint ventures
Shanghai Jianwan Real Estate Co., Ltd.	Subsidiaries of associates, joint ventures
Ace Mission Investments Limited	Subsidiaries of associates, joint ventures
Fu'an Junhan Enterprise Management Co., Ltd.	Subsidiaries of associates, joint ventures
Xiamen Port Trading Co., Ltd.	Subsidiaries of associates, joint ventures
Xiamen Port Haiheng Industrial Co., Ltd.	Subsidiaries of associates, joint ventures
Xiamen Port Holdings Group Co., Ltd.	Subsidiaries of associates, joint ventures
Gongwu Intelligent (Xiamen) Information Technology Co., Ltd.	Subsidiaries of associates, joint ventures
Fujian Nanping Solar Cable Co., Ltd.	Formerly Associates, joint ventures, the controlling shareholder no longer has significant influence on it in November 2022
Xiamen Xinweitian Corporate Management Co., Ltd.	Former associates, joint ventures
Jiangsu Delong Nickel Industry Co., Ltd.	Minority shareholders of important subsidiaries

7.3 Related Party Transactions

(a) Purchases or sales of goods, rendering or receiving of services

Purchases of goods, receiving of services:

Related parties	Nature of the transaction(s)	2023	2022
Zhejiang Anxin Trading Co., Ltd.	Purchases of goods	2,323,834,688.60	2,723,826,485.49
Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	Purchases of goods	1,734,443,976.24	509,956,837.46
Inner Mongolia Minghua Clean Energy Co., Ltd.	Purchases of goods	784,823,180.19	653,736,972.51
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Purchases of goods	718,312,865.17	874,083,234.42
Gao'an Chenghui Supply Chain Co., Ltd.	Purchases of goods	498,835,061.03	183,032,993.08
Xiamen Hongyu Supply Chain Co., Ltd.	Purchases of goods	54,773,383.69	302,062,879.99
Fujian Nanping Solar Cable Co., Ltd.	Purchases of goods	31,539,200.51	22,590,739.74
Hubei Guomao Ludao Supply Chain Co., Ltd.	Purchases of goods	18,275,760.59	
Jiangsu Delong Nickel Industry Co., Ltd.	Purchases of goods	8,127,433.63	
Xiamen Gold investment Co., Ltd.	Purchases of goods		7,209,942.66
Urad Zhongqi Yiteng Mining Co., Ltd.	Purchases of goods		283,517,770.73

Related parties	Nature of the transaction(s)	2023	2022
Hainan Jiaxin Smart Logistics Co., Ltd.	Receiving of services	567,154,578.53	305,301,698.04
Bayan Nur G-Reach Co., Ltd.	Receiving of services	316,646,849.21	86,703,597.01
Tianjin Jizhi Intelligent Logistics Co., Ltd.	Receiving of services	276,807,399.14	149,127,518.58
Urad Zhongqi Yiteng Mining Co., Ltd.	Receiving of services	131,943,771.87	
E-Reach (Ningbo) Container Co., Ltd.	Receiving of services	33,121,658.33	23,732,872.10
Port of Jinzhou Xiangyu Grain Co., Ltd.	Receiving of services	27,641,490.94	31,566,227.19
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Receiving of services	12,631,942.90	
Port of Dalian Xiangyu Grain Logistics Co., Ltd.	Receiving of services	9,290,571.35	13,334,539.95
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Receiving of services	855,315.09	130,641.08
Xiamen International Logistics Port Co. Ltd.	Receiving of services	751,813.02	75,732.07
Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	Receiving of services	113,397.48	
Xiamen Internet of Thing Industry Research Institute Co., Ltd.	Receiving of services	11,320.75	681,644.65
Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	Receiving of services	1,061.95	329,183.92
Xiamen Container Terminal Group Co., Ltd.	Receiving of services		3,641,554.66
Xiamen Modern Terminal Co., Ltd.	Receiving of services		1,633,480.38
Gongwu Intelligent (Xiamen) Information Technology Co., Ltd.	Receiving of services	229,155.00	
Xiaozheng Yilian (Beijing) Enterprise Management Co., Ltd.	Receiving of services		6,698,548.82

Sales of goods and rendering of services

Related parties	Nature of the transaction(s)	2023	2022
Zhejiang Jinliantong International Trading Co., Ltd.	Sales of goods	616,200,147.38	
Xiamen Port Trading Co., Ltd.	Sales of goods	203,086,534.99	
Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	Sales of goods	185,187,332.31	105,384,199.09
HangJin International Trading Co., Ltd.	Sales of goods	149,786,430.07	119,967,535.06
Hubei Guomao Ludao Supply Chain Co., Ltd.	Sales of goods	108,694,134.91	
Gao'an Chenghui Supply Chain Co., Ltd.	Sales of goods	99,828,774.55	167,303,085.59
Xiamen Port Haiheng Industrial Co., Ltd.	Sales of goods	45,205,307.43	
Inner Mongolia Minghua Clean Energy Co., Ltd.	Sales of goods	24,624,994.96	363,316,792.32

Related parties	Nature of the transaction(s)	2023	2022
Urad Middle Banner Haotong Clean Energy Co., Ltd.	Sales of goods	18,354,606.33	879,628,304.12
Xiaoyi Jinrui Trade Co., Ltd.	Sales of goods	15,624,693.77	219,008,138.50
Xiamen Hongyu Supply Chain Co., Ltd.	Sales of goods	11,926,605.50	43,287,187.00
Guangxi Tiandong Jinsheng Chemical Co., Ltd.	Sales of goods	1,303,318.35	
Guangxi Tiandong Jinxin Chemical Co., Ltd.	Sales of goods	1,298,114.39	90,132,801.69
Tianjin Tian An Science Parks Development Limited	Sales of goods	15,779.81	27,866.97
Nanping Ruifeng Real Estate Co., Ltd.	Sales of goods	9,174.31	32,293.58
Xiamen Gold investment Co., Ltd.	Sales of goods		6,104,418.75
Pinglu Jin Ping Mining Co., Ltd.	Sales of goods		7,095,002.38
Fujian Nanping Solar Cable Co., Ltd.	Sales of goods		1,377,860.43
Suzhou Ruitai Real Estate Development Co., Ltd.	Sales of goods		12,110.09
Fujian Xiangyu Property Service Co., Ltd.	Sales of goods		30,091.74
Fujian Xiangyu Real Estate Development Co., Ltd.	Sales of goods		1,467.89
Port of Jinzou Xiangyu Grain Co., Ltd.	Sales of goods		7,706.42
Cayman (Shanxian) Energy Comprehensive Utilization Company Limited	Sales of goods		1,514,995.71
Xiamen International Logistics Port Co. Ltd.	Sales of goods		691,206.63
Zhejiang Anxin Trading Co., Ltd.	Sales of goods		26,255,021.73
Bei'an Xiangyu Thermal Power Co., Ltd.	Sales of goods		1,118,430.65
Shanghai Jianwan Real Estate Co., Ltd.	Rendering of services	20,865,592.87	
Shanghai Zhaoyu Real Estate Co., Ltd.	Rendering of services	17,849,848.22	2,280,422.83
Nanjing Xujiang Real Estate Development Co., Ltd.	Rendering of services	14,018,847.99	7,363,574.59
Zhejiang Anxin Trading Co., Ltd.	Rendering of services	10,733,612.10	343,079.39
Xiamen Xihaiwan Cruise City Investment Co., Ltd.	Rendering of services	8,415,688.54	1,764,299.76
Xiamen Mintai Ferry Co., Ltd.	Rendering of services	7,482,362.37	
Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	Rendering of services	3,306,250.72	
Xiamen Hongyu Supply Chain Co., Ltd.	Rendering of services	3,282,383.75	392,853.62
Nanping Ruifeng Real Estate Co., Ltd.	Rendering of services	2,029,819.23	2,000,522.26
Xiamen Xiangyu Ciai Elderly Nursing Center	Rendering of services	1,820,792.07	1,688,500.00

Related parties	Nature of the transaction(s)	2023	2022
Xiamen Xiangyu Junxin Venture Capital Partnership (limited Partnership)	Rendering of services	1,752,911.12	
Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	Rendering of services	1,575,272.82	
Gao'an Chenghui Supply Chain Co., Ltd.	Rendering of services	1,016,089.64	962,837.74
Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	Rendering of services	725,000.00	
Ruiyu Xingxi Xianning Equity Investment Partnership LLP	Rendering of services	451,321.79	
Fujian Youhao Supply Chain Management Co., Ltd.	Rendering of services	411,588.79	
Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	Rendering of services	387,571.12	4,555,552.36
Xiamen Zhaogang Luhe Property Management Co., Ltd.	Rendering of services	218,140.72	
Fujian Xiangyu Property Service Co., Ltd.	Rendering of services	194,433.96	
Tianjin Tian An Science Parks Development Limited	Rendering of services	197,968.60	3,465.79
Fujian Xiangyu Real Estate Development Co., Ltd.	Rendering of services	125,188.68	
Fujian Dengyun Real Estate Development Co., Ltd.	Rendering of services	91,994.94	4,645,482.75
Shanghai Pancheng Real Estate Development Co., Ltd.	Rendering of services	82,075.47	
Tianjin Tian'an Smart Port Property Service Co., Ltd.	Rendering of services	54,245.28	
Xiamen Rural Commercial Bank Co., Ltd.	Rendering of services	50,166.00	
Xiamen Modern Terminal Co., Ltd.	Rendering of services	12,346.23	
Xiamen Internet of Thing Industry Research Institute Co., Ltd.	Rendering of services	24,408.18	6,603.77
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Rendering of services	8,475.21	8,749.60
Zhihui (Tianjin) Business Operation Management Co., Ltd.	Rendering of services	3,018.87	
Xiamen Xinweitian Corporate Management Co., Ltd.	Rendering of services		6,158,490.52
Xiamen Container Terminal Group Co., Ltd.	Rendering of services		907,583.22
Suzhou Ruitai Real Estate Development Co., Ltd.	Rendering of services		7,759.04
HangJin International Trading Co., Ltd.	Rendering of services		198,396.16
Xiamen Xiangsheng Investment Partnership LLP	Rendering of services		17,591,903.37
Xiamen Xiangrui Investment Partnership (Limited Partnership)	Rendering of services		3,474,915.08

(b) Leases

The Company as lessor

The lessee	Type of assets	2023	2022
Xiamen Financial Leasing Co., Ltd.	Housing lease, property fee, etc.	2,749,995.97	2,726,110.97
Xiamen Rural Commercial Bank Co., Ltd.	Housing lease, property fee, etc.	906,687.07	
Port of Jinzhou Xiangyu Grain Co., Ltd.	Housing lease, property fee, etc.	7,964.60	
Nanjing Xujiang Real Estate Development Co., Ltd.	Housing lease, property fee, etc.		3,655,933.34
Shanghai Zhaoyu Real Estate Co., Ltd.	Housing lease, property fee, etc.		447,216.35
Shanghai Xiangyu Logistics Development Co., Ltd.	Housing lease, property fee, etc.		19,400.11
Shanghai Pancheng Real Estate Development Co., Ltd.	Housing lease, property fee, etc.		16,037.74
Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	Housing lease, property fee, etc.		4,943.47
Xiamen Xinweitian Corporate Management Co., Ltd.	Housing lease, property fee, etc.		2,836,188.60

The Company as lessee

The lessor	Type of assets	2023	2022
Port of Jinzhou Xiangyu Grain Co., Ltd.	Housing lease	229,357.80	
Urad Zhongqi Yiteng Mining Co., Ltd.	Housing lease	36,697.24	

(c) Borrowings and lendings

(i) Borrowings

Related parties	Borrowing	Repayment
Xiamen Hongyu Supply Chain Co., Ltd.	2,571,789,859.72	2,571,789,859.72
Shanghai Xiangyu Logistics Development Co., Ltd.	210,000,000.00	105,000,000.00
Jiangsu Delong Nickel Industry Co., Ltd.	1,950,200,000.00	1,846,000,000.00

(ii) Lendings

Related parties	Lending	Collection
Xiamen Xihaiwan Cruise City Investment Co., Ltd.		444,000,000.00
Shanghai Zhaoyu Real Estate Co., Ltd.		102,600.00
Nanjing Xujiang Real Estate Development Co., Ltd.		102,300,000.00
Suzhou Yutai Real Estate Development Co., Ltd.	39,200,000.00	
Shanghai Zhaoliang Huixin Real Estate Development Co., Ltd.	430,677,003.75	400,000,000.00

(d) Interest income and expenses

Related parties	Nature of the transaction(s)	2023	2022
Jiangsu Delong Nickel Industry Co., Ltd.	Interest expense	60,186,237.54	97,404,602.58
Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	Interest expense	3,699,413.13	
Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	Interest income		137,347.59
Suzhou Yutai Real Estate Development Co., Ltd.	Interest income		506,756.07
Tianjin Tian An Science Parks Development Limited	Interest income		1,113,939.32
Xiamen Xihaiwan Cruise City Investment Co., Ltd.	Interest income		19,970,951.79
Xiamen Xinweitian Corporate Management Co., Ltd.	Interest income		1,889,908.71
Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	Interest income	10,759,945.75	
Shanghai Zhaoyu Real Estate Co., Ltd.	Interest income	5,072,065.00	28,431,629.99

(e) Guarantees

Please refer to Note 9.2 (b) for details of related party guarantee.

(f) Others

(i) The subsidiary, Xiangyu Group, and its subsidiaries applied for a comprehensive facility from the related parties, Harbin Rural Commercial Bank Co., Ltd. and Xiamen Rural Commercial Bank Co., Ltd. As at 31 December 2023, the loan balance due from related party Harbin Rural Commercial Bank is RMB 300,000,000.00, with interest charges of RMB 420,000.00 paid for the year ended of 2023. As at 31 December 2023, the balance of wealth management products purchased from related party Xiamen Rural Commercial Bank Co., Ltd. is RMB 480,000,000.00, with gains from these products for year ended 2023 amounting to RMB 434,569.46.

(ii) In 2023, the subsidiary XMXYG Jinxiang Holdings Group Co., Ltd. obtained a loan of RMB 795 million from the related party Xiamen Rural Commercial Bank Co., Ltd., and repaid RMB 540 million. The outstanding balance as at 31 December 2023 is RMB 495 million. The interest expenses incurred this year Amounted to RMB20.1002 million, and the handling fee incurred for entrusted loan was RMB 17.8264 million.

(iii) In 2019, Nantong Xiangyu Shipbuilding & Offshore Engineering Co., Ltd. (hereinafter referred to as "Xiangyu Marine Equipment") signed a sale and leaseback contract with Xiamen Financial Leasing Co., Ltd. (hereinafter referred to as "Xiamen Financial Leasing"). For year ended 2023, the rental of RMB 47,240,294.19 has been paid, and the financing expenses is RMB 3,544,666.85.

(iv) In 2023, the subsidiary Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd signed a sale and leaseback contract with Jiangsu Weiren Shipping Co., Ltd. (hereinafter referred to as "Jiangsu Weiren") to provide ship leasing for the vessel "Suhang Weifeng" with a financing amount of RMB 31,150,000.00. The Company's controlling subsidiary, Shanghai Xiangyu Express Shipping Development Co., Ltd, signed a charter contract with Jiangsu Weiren for a period of 7 years, with a total rental amounting to RMB 16,440,545.52.

7.4 Receivables and Payables with Related Parties

(a) Receivables

Items	Related parties	31 December 2023	31 December 2022
Advances to suppliers	Hubei Guomao Ludao Supply Chain Co., Ltd.	211,750,000.00	20,080,000.00
Advances to suppliers	Xiamen Hongyu Supply Chain Co., Ltd.	208,500,000.00	
Advances to suppliers	Gao'an Chenghui Supply Chain Co., Ltd.	192,000,000.00	
Advances to suppliers	Zhejiang Anxin Trading Co., Ltd.	69,802,064.62	65,257,735.54
Advances to suppliers	Port of Jinzhou Xiangyu Grain Co., Ltd.	67,383,539.94	73,981,743.19
Advances to suppliers	Urad Middle Banner Haotong Clean Energy Co., Ltd.	11,146,794.89	
Advances to suppliers	Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	3,372.60	
Advances to suppliers	Xiamen International Logistics Port Co., Ltd.		40,000.00
Accounts receivable	Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	59,631,023.55	
Accounts receivable	Inner Mongolia Minghua Clean Energy Co., Ltd.	39,010,571.50	5,411,464.46
Accounts receivable	HangJin International Trading Co., Ltd.	12,193,561.85	132,505,680.06
Accounts receivable	Xiaoyi Jinrui Trade Co., Ltd.	5,106,773.54	
Accounts receivable	Zhejiang Jinliantong International Trading Co., Ltd.	5,215,911.84	
Accounts receivable	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	4,988,269.09	
Accounts receivable	Xiamen Xiangyu Ciai Elderly Nursing Center	4,278,500.00	4,448,500.00
Accounts receivable	Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	1,091,111.31	
Accounts receivable	Nanjing Xujiang Real Estate Development Co., Ltd.	381,969.94	
Accounts receivable	Fujian Youhao Supply Chain Management Co., Ltd.	360,000.00	
Accounts receivable	Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	271,514.00	415,801.50
Accounts receivable	Xiamen Mintai Ferry Co., Ltd.	217,337.31	1,435,785.14
Accounts receivable	Xiamen Financial Leasing Co., Ltd.	2,180.00	
Accounts receivable	Urad Middle Banner Haotong Clean Energy Co., Ltd.		99,669,599.70
Accounts receivable	Guangxi Tiandong Jinxin Chemical Co., Ltd.		21,996,145.00
Accounts receivable	Xiamen Xiangsheng Investment Partnership LLP		18,647,417.53
Accounts receivable	Zhejiang Anxin Trading Co., Ltd.		134,931.96
Accounts receivable	Fujian Xiangyu Property Service Co., Ltd.		2,000.00

Items	Related parties	31 December 2023	31 December 2022
Accounts receivable	Xiamen Rural Commercial Bank Co., Ltd.		1,292.00
Other receivables	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	1,067,368,097.98	1,511,368,097.98
Other receivables	Fuzhou Fengshunxiang Investment Co., Ltd.	997,317,500.00	997,317,500.00
Other receivables	Xiamen Xiangyang Investment Co., Ltd.	718,120,000.00	718,120,000.00
Other receivables	Suzhou Xiangyu Real Estate Co., Ltd.	440,975,000.00	68,567,427.44
Other receivables	Crystal Idea Management Limited	296,481,855.52	292,245,091.69
Other receivables	Tianjin Tian An Science Parks Development Limited	108,491,775.21	90,873,231.00
Other receivables	Nanjing Xujiang Real Estate Development Co., Ltd.	85,816,249.03	190,947,446.16
Other receivables	Suzhou Yutai Real Estate Development Co., Ltd.	62,328,408.33	23,185,575.01
Other receivables	Suzhou Ruitai Real Estate Development Co., Ltd.	53,371,657.23	293,165.91
Other receivables	Shanghai Zhaoxiang Huixin Real Estate Development Co., Ltd.	44,365,626.23	
Other receivables	Nanping Ruifeng Real Estate Co., Ltd.	30,074,895.04	
Other receivables	Shanghai Zhaoyu Real Estate Co., Ltd.	13,150,000.00	1,058,887,527.79
Other receivables	Shanghai Jianwan Real Estate Co., Ltd.	13,053,700.00	
Other receivables	Xiamen Port Holdings Group Co., Ltd.	12,124,870.99	
Other receivables	Xiamen Xiangyu Ciai Elderly Nursing Center	12,000,000.00	15,341,135.35
Other receivables	Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	8,497,588.45	
Other receivables	Fujian Youhao Supply Chain Management Co., Ltd.	8,000,000.00	
Other receivables	Xiamen Xiangsheng Investment Partnership LLP	3,105,000.00	812,800.87
Other receivables	Fujian Dengyun Real Estate Development Co., Ltd.	5,153,463.46	
Other receivables	Port of Jinzhou Xiangyu Grain Co., Ltd.	1,360,723.91	1,458,301.59
Other receivables	Kunshan Xierui Real Estate Development Co., Ltd.	1,247,943.33	1,247,943.33
Other receivables	Bei'an Xiangyu Thermal Power Co., Ltd.	1,047,587.22	1,000,000.00
Other receivables	Fujian Xiangyu Thermal Power Co., Ltd.	1,000,000.00	
Other receivables	Hebei Xiangyu Zhengfeng Real Estate Co. Ltd.	248,780.11	377,016.53
Other receivables	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	231,357.78	198,638.76
Other receivables	Zhejiang Anxin Trading Co., Ltd.	200,000.00	1,000,000.00

Items	Related parties	31 December 2023	31 December 2022
Other receivables	Xiamen Xiangyu Chuangfu Investment Partnership LLP	183,921.00	1,135.00
Other receivables	Fuzhou Xiangyu Ruoke Equity Investment Partnership LLP	183,538.00	
Other receivables	Guangxi Tiandong Jinxin Chemical Co., Ltd.	100,000.00	
Other receivables	Xiamen Xiangrun Investment Partnership (Limited Partnership)	50,000.00	100,000.00
Other receivables	Xiamen International Logistics Port Co. Ltd.	40,000.00	
Other receivables	Kunshan Jincui Real Estate Co., Ltd.	31,250.00	31,250.00
Other receivables	Fujian Xiangyu Property Service Co., Ltd.	5,048.66	
Other receivables	Xiamen Chenhuan Investment Partnership (Limited Partnership)	5,000.00	
Other receivables	Xiamen Xiangyu Chuangying Investment Partnership LLP	1,525.00	1,525.00
Other receivables	Xiamen Chenhui Investment Partnership (Limited Partnership)	1,000.00	
Other receivables	Fuzhou Liyu Investment Partnership (Limited Partnership)	1,000.00	
Other receivables	Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	260.00	260.00
Other receivables	Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	97.82	79.66
Other receivables	Gao'an Chenghui Supply Chain Co., Ltd.		1,020,608.00
Other receivables	Xiamen Container Terminal Group Co., Ltd.		506,874.74
Other receivables	Zhangzhou Development Zone Changhai Car Transport Co., Ltd.		128,933.56
Other receivables	Fu'an Junhan Enterprise Management Co., Ltd.		1,000.00
Other receivables	Xiamen Xinweitian Corporate Management Co., Ltd.		53,172,085.51
Long-term receivables	Xiamen Port Holdings Group Co., Ltd.	73,704,902.70	73,704,902.70
Contract assets	Zhejiang Anxin Trading Co., Ltd.		104,013.84

(b) Payables

Items	Related parties	31 December 2023	31 December 2022
Contract liabilities	Xiamen Financial Leasing Co., Ltd.		23,086,038.62
Receipts in advance	Xiamen Financial Leasing Co., Ltd.	729,880.00	784,114.29
Accounts payable	Bayan Nur G-Reach Co., Ltd.	48,029,176.77	6,156,580.07
Accounts payable	Hainan Jiabin Smart Logistics Co., Ltd.	42,887,019.62	5,174,329.77
Accounts payable	Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	48,954,406.09	

Items	Related parties	31 December 2023	31 December 2022
Accounts payable	Gao'an Chenghui Supply Chain Co., Ltd.	36,758,551.14	
Accounts payable	Urad Zhongqi Yiteng Mining Co., Ltd.	24,925,623.59	2,777,464.35
Accounts payable	Tianjin Jizhi Intelligent Logistics Co., Ltd.	22,329,466.76	43,544,253.24
Accounts payable	Jiangsu Delong Nickel Industry Co., Ltd.	11,402,593.75	2,255,638.00
Accounts payable	Fujian Nanping Solar Cable Co., Ltd.	6,448,379.58	1,660,055.85
Accounts payable	Inner Mongolia Minghua Clean Energy Co., Ltd.	2,676,838.65	6,766,487.25
Accounts payable	Xiamen Internet of Thing Industry Research Institute Co., Ltd.	1,315,792.30	264,800.00
Accounts payable	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	208,054.61	162,094.21
Accounts payable	Port of Jinzou Xiangyu Grain Co., Ltd.	173,919.11	
Accounts payable	Shanghai Huajing Danfeng Real Estate Development Co., Ltd.	103,803.39	
Accounts payable	Zhangzhou Development Zone Changhai Car Transport Co., Ltd.	41,880.06	49,621.50
Accounts payable	Xiamen International Logistics Port Co. Ltd.	4,562.80	4,562.80
Accounts payable	Urad Middle Banner Haotong Clean Energy Co., Ltd.		42,960,616.19
Accounts payable	E-Reach (Ningbo) Container Co., Ltd.		6,560,270.70
Accounts payable	Xiaozheng Yilian (Beijing) Enterprise Management Co., Ltd.		1,185,235.70
Notes payable	Urad Middle Banner Teng Sheng Da Energy Co., Ltd.	588,000,000.00	
Notes payable	Inner Mongolia Minghua Clean Energy Co., Ltd.	196,000,000.00	
Notes payable	Urad Middle Banner Haotong Clean Energy Co., Ltd.	125,000,000.00	
Notes payable	Gao'an Chenghui Supply Chain Co., Ltd.	97,822,860.78	
Non-current liabilities maturing within one year	Xiamen Financial Leasing Co., Ltd.		43,965,844.58
Other payables	Shanghai Zhaoyu Real Estate Co., Ltd.	1,869,486,083.31	
Other payables	Fujian Dengyun Real Estate Development Co., Ltd.	644,503,653.65	
Other payables	Suzhou Xiangyu Real Estate Co., Ltd.	515,580,555.06	605,947,975.00
Other payables	Shanghai Pancheng Real Estate Development Co., Ltd.	440,000,000.00	489,997,983.00
Other payables	Ace Mission Investments Limited	413,500,000.00	413,500,000.00
Other payables	Kunshan Jincui Real Estate Co., Ltd.	364,937,500.00	364,937,500.00

Items	Related parties	31 December 2023	31 December 2022
Other payables	Jiangsu Delong Nickel Industry Co., Ltd.	117,943,124.18	
Other payables	Xiamen Chenxin Investment Partnership (Limited Partnership)	60,537,355.43	20,359,548.87
Other payables	Kunshan Xierui Real Estate Development Co., Ltd.	60,414,000.00	72,544,000.00
Other payables	Fujian Xiangyu Real Estate Development Co., Ltd.	40,088,809.97	40,768,890.00
Other payables	Fuzhou Liyu Investment Partnership (Limited Partnership)	40,463,588.69	
Other payables	Suzhou Ruizhi Real Estate Development Co., Ltd.	30,342,858.00	
Other payables	Xiamen Chenli Investment Partnership (Limited Partnership)	6,730,000.00	
Other payables	Nanjing Kaitai Venture Capital Partnership LLP	6,000,000.00	
Other payables	Hebei Xiangyu Zhengfeng Real Estate Co. Ltd.	4,149,840.00	17,449,840.00
Other payables	Shenzhen Zhongnan Chengzhang Investment Management Co., Ltd.	5,130,000.00	5,310,000.00
Other payables	Xiamen Xiangyu Pengrui Investment Partnership (General Partnership)	2,610,000.00	2,610,000.00
Other payables	Xiamen Hongyu Supply Chain Co., Ltd.	2,110,222.86	
Other payables	Xiamen Internet of Thing Industry Research Institute Co., Ltd.	340,958.43	
Other payables	Xiamen Financial Leasing Co., Ltd.	292,342.00	292,342.00
Other payables	Xiamen Rural Commercial Bank Co., Ltd.	126,710.00	126,710.00
Other payables	Tianjin Tian An Science Parks Development Limited	97,361.14	97,281.14
Other payables	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	82,603.35	39,277.00
Other payables	Xiamen Dadeng Taiwan Commerce Characteristics Small Town Operation Management Co., Ltd.	4,972.60	
Other payables	Xiamen Xiangying Investment Partnership (Limited Partnership)		113,975,958.88
Other payables	Nanping Ruifeng Real Estate Co., Ltd.		30,000,000.00
Other payables	Suzhou Ruitai Real Estate Development Co., Ltd.		21,054,837.01
Other payables	Xiamen Xinweitian Corporate Management Co., Ltd.		24,200,000.00
Other payables	Xiamen Xiangrun Investment Partnership (Limited Partnership)		1,130,000.00
Other payables	Xiamen Container Terminal Group Co., Ltd.		58,494.89
Other payables	Xiamen Xiangyu Ciai Elderly Nursing Center		3.60
Other current liabilities	Shanghai Xiangyu Logistics Development Co., Ltd.	105,000,000.00	105,000,000.00
Other current liabilities	Zhejiang Jinliantong International Trading Co., Ltd.	2,207,820.24	

Items	Related parties	31 December 2023	31 December 2022
Other current liabilities	Gao'an Chenghui Supply Chain Co., Ltd.	1,999,637.64	
Other current liabilities	Port of Jinzhou Xiangyu Grain Co., Ltd.	97,969.86	575.03
Other current liabilities	Xiamen Financial Leasing Co., Ltd.	7,614.17	
Contract liabilities	Zhejiang Jinliantong International Trading Co., Ltd.	17,148,801.01	
Contract liabilities	Gao'an Chenghui Supply Chain Co., Ltd.	15,445,126.82	
Contract liabilities	Xiamen Xianglian Equity Investment Partnership (Limited Partnership)	1,208,333.33	1,933,333.33
Contract liabilities	Port of Jinzhou Xiangyu Grain Co., Ltd.	1,112,030.14	6,424.97
Contract liabilities	Xiamen Xiangyu Junxin Venture Capital Partnership (limited Partnership)	1,000,000.00	1,333,333.33
Contract liabilities	Xiamen Financial Leasing Co., Ltd.	126,902.83	125,091.51
Contract liabilities	Xiamen Port Holdings Group Co., Ltd.	18,000.00	
Contract liabilities	Xiamen Modern Terminal Co., Ltd.	15,835.64	
Contract liabilities	Xiamen Xinweitian Corporate Management Co., Ltd.		500,000.00

8. SHARE-BASED PAYMENTS

During the current year, the subsidiary Xiamen Xiangyu Co., Ltd. implemented equity incentives, the details are as follows:

8.1 General Information of Share-based Payment

Category of participant	Granted during the reporting period		Exercised during the reporting period	
	Unit	Amount	Unit	Amount
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares				
2020 Equity Incentive Plan Awarded for the First Grant - share option			11,370,000.00	61,398,000.00
2020 Equity Incentive Plan Awarded Reserve Grant - restricted shares				
2020 Equity Incentive Plan Awarded Reserve Grant - share option				
2022 Equity Incentive Plan Awarded for the First Grant				
2022 Equity Incentive Plan Awarded Reserve Grant	6,007,100.00	32,198,056.00		
Total	6,007,100.00	32,198,056.00	11,370,000.00	61,398,000.00

(Continued)

Category of participant	Unlocked during the reporting period		Cancelled during the reporting period	
	Unit	Amount	Unit	Amount
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares	5,678,084.00	21,179,253.32	707,822.00	2,640,176.06
2020 Equity Incentive Plan Awarded for the First Grant - share option			2,400,000.00	2,400,000.00
2020 Equity Incentive Plan Awarded Reserve Grant - restricted shares			38,968.00	177,694.08
2020 Equity Incentive Plan Awarded Reserve Grant - share option				
2022 Equity Incentive Plan Awarded for the First Grant			2,548,500.00	9,862,695.00
2022 Equity Incentive Plan Awarded Reserve Grant				
Total	5,678,084.00	21,179,253.32	5,695,290.00	15,080,565.14

Share options or other equity instruments issued and outstanding at the end of the period:

Category of participant	Share options issued and outstanding at the end of the period		Other equity instruments issued and outstanding at the end of the period	
	Range of exercise price	Remaining term of contract	Range of exercise price	Remaining term of contract
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares			2020 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 3.73 per share	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 2 February 2021.
2020 Equity Incentive Plan Awarded for the First Grant - share option	2020 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 4.79 per share	The share option will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 5 February 2021.		
2020 Equity Incentive Plan Awarded Reserve Grant - restricted shares			2020 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 4.56 per share	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 31 December 2021.

Category of participant	Share options issued and outstanding at the end of the period		Other equity instruments issued and outstanding at the end of the period	
	Range of exercise price	Remaining term of contract	Range of exercise price	Remaining term of contract
2020 Equity Incentive Plan Awarded Reserve Grant - share option	2020 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 6.47 per share	The share option will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 23 December 2021.		
2022 Equity Incentive Plan Awarded for the First Grant			2022 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 3.87 per share.	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 7 July 2022.
2022 Equity Incentive Plan Awarded Reserve Grant			2022 Equity Incentive Plan Awarded for the First Grant: The exercise price is RMB 5.36 per share.	The restricted shares will exercise at a ratio of 30%, 30%, and 40% in 24 months, 36 months, 48 months, respectively from the grant registration date, 30 May 2023.

8.2 Equity-settled Share-based Payment

	2023
Method of determining fair value of equity instruments at grant date	Restricted shares: closing price on grant date less grant price; Share options: estimate on the adjusted Black-Scholes model
Key parameters for fair value of equity instruments at grant date	Historical volatility, risk-free rate of return, dividend yield
Basis for determining the unit of exercisable equity instruments	On each balance sheet date of the vesting period, the best estimate of the number of equity instruments that eventually vest is made based on the latest changes in the number of employees under the plan and whether the vesting conditions are met. The number of equity instruments that eventually vest is modified accordingly.
Reason for material difference between estimate for the reporting period and estimate for the previous reporting period	N/A
Cumulative amount of equity-settled share-based payment charged to capital reserve	114,222,564.36

8.3 Expenses incurred from share-based payment in the reporting period

Category of participant	Expenses on equity settled share-based payment	Expenses on cash settled share-based payment
2020 Equity Incentive Plan Awarded for the First Grant - restricted shares	-5,272,620.02	
2020 Equity Incentive Plan Awarded for the First Grant - share option	-4,664,999.80	
2020 Equity Incentive Plan Awarded Reserve Grant - restricted shares	365,480.07	

Category of participant	Expenses on equity settled share-based payment	Expenses on cash settled share-based payment
2020 Equity Incentive Plan Awarded Reserve Grant - share option	406,719.13	
2022 Equity Incentive Plan Awarded for the First Grant	16,392,072.56	
Total	7,226,651.94	

8.4 Modifications and Cancellations of Share-based payment

Modifications of share-based payment during the period:

According to the resolution of 11th meeting of 9th Board of Director of the subsidiary Xiamen Xiangyu Co., Ltd., the exercise price of share options from the First Grant of the 2020 Equity Incentive Plan has been adjusted to RMB 4.79 per share. The exercise price of the share options of the 2020 Equity Incentive Plan Awarded for the First Grant is adjusted to RMB 6.47 per share.

9. COMMITMENTS AND CONTINGENCIES

9.1 Significant Commitments

31 December 2023, the Company has no significant commitments need to be disclosed.

9.2 Contingencies

Significant contingencies existing at the balance sheet date:

(a) Contingent liabilities arising from outstanding litigations and the corresponding financial effects

(i) The Company and its subsidiaries as plaintiffs

The subsidiary Xiamen Xiangyu Co., Ltd. and its subsidiaries filed lawsuits as plaintiffs, the lawsuit of which were mainly related to sales contract disputes, import and export agency contract disputes, etc. The Company requested the other party to provide corresponding compensation according to the loss situation. As of 31 December 2023, the estimated possible maximum loss involved in the pending litigation is RMB 716 million, with historical litigation cases mainly. The estimated financial impact is limited.

The subsidiary Xiamen XMXYG Jinxiang Holdings Group Co., Ltd. and its subsidiaries filed lawsuits as plaintiffs, the lawsuit of which were mainly related to overdue payment. As of 31 December 2023, the estimated possible maximum loss involved in this type of pending litigation is RMB 490 million. The Company has provided sufficient amount of impairment provision based on the estimated recoverable amount. The estimated financial impact is limited.

(ii) The Company and its subsidiaries as defendants

The main cases are as follows:

Case 1:

In April and May 2022, Xiamen Longjin Import and Export Trading Co., Ltd. (hereinafter referred to as "Xiamen Longjin") and Fujian Longyan International Trade Co., Ltd. (hereinafter referred to as "Longyan Guomao") and the subsidiary Xiamen Xiangyu Aluwin Co., Ltd. (hereinafter referred to as "Xiangyu Aluwin") signed the "Aluminum Ingot Purchase and Sales Contract" to purchase aluminum ingots from Xiangyu Aluwin. After Xiangyu Aluwin

transferred the rights on the aluminum ingots to Xiamen Longjin and Longyan Guomao, both parties issued certain receipts to Xiangyu Aluwin. In September and November 2022, Xiamen Longjin and Longyan Guomao, respectively filed two lawsuits against Xiangyu Aluwin in the Huli People's Court of Xiamen City, and requested for rescission of the original "Aluminum Ingot Purchase and Sale Contract", return of the original purchase payment and revocation of the receipt issued to Xiangyu Aluwin. The total amounts are RMB 193.0103 million (for two cases) and RMB 176.1463 million (for two cases), respectively. Xiangyu Aluwin believes that the Company has not engaged in any breach of contract, and Xiamen Longjin and Longyan Guomao should assert their rights against other responsible parties. .

Progress: As of the date of this report, the lawsuit is in the first instance stage.

Case 2:

On 11 November 2015, Shanghai Dingheng Shipping Technology Co., Ltd. (hereinafter referred to as "Dingheng Shipping"), Nantong Tongbao Shipbuilding Co., Ltd. (hereinafter referred to as "Tongbao Shipbuilding") and the Company's subsidiary Xiamen Xiangyu Logistics Group Co., Ltd. (hereinafter referred to as "Xiangyu Logistics") signed a "Cooperation Agreement" on cooperation matters for the construction and disposal of 8,500-ton stainless steel chemical tankers. It is agreed that the three parties will cooperate to build four 8,500-ton chemical tankers, and after the ship construction is completed, the ships will be disposed of and the disposal funds will be allocated in accordance with the agreement. The Xiangyu Logistics agreement stipulates that after the disposal of the aforementioned ship is completed. On 2 December 2022, Dingheng Shipping filed a lawsuit with Xiamen Maritime Court, adding Tongbao Shipbuilding as the third party. The lawsuit demands that the defendant Xiangyu Logistics pay the construction supervision fees for the aforementioned ships, return the shipbuilding payment, allocate ship disposal funds, re-dispose of one of the ships and compensate the ship for disposal losses and expected profit losses, ship materials, and over payments. In addition to bare rent, the Company also requested payment of interest on the aforementioned construction supervision fees, shipbuilding payments, and distribution payments. The total amount claimed was RMB 292.3069 million. After Xiamen Maritime Court accepted the case, it served and notified Xiangyu Logistics to respond in February 2023. Xiangyu Logistics raised a jurisdictional objection to Dingheng Shipping's lawsuit. In February 2024, the hearing on the jurisdictional objection in this case was completed. During the hearing of the jurisdictional objection, Dingheng Shipping withdrew some claims regarding the Xiamen Maritime Court's lack of jurisdiction, and the total amount of the claim after the adjustment was RMB 289,765,300. Xiangyu Logistics believes that Xiangyu Logistics complied with the agreement during the performance of the Cooperation Agreement and the disposal of the ship involved in the case, and there was no breach of contract. It also believes that the amount of compensation claimed by Dingheng Shipping has no factual and agreement basis. The Company's legal department has judged that Xiangyu Logistics's claim has a legal basis. Currently, Xiangyu Logistics is preparing to file a counterclaim against Dingheng Shipping, requesting Dingheng Shipping to pay Xiangyu Logistics the balance of the ship disposal amount in accordance with the proportion agreed in the Cooperation Agreement.

Progress: As of the date of this report, the lawsuit is in the first instance stage.

(b) Contingent liabilities resulting from debt guarantees to other entities and the corresponding financial impact

(i) As at 31 December 2023, debt guarantee that the Company offers to subsidiaries:

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Logistics Group Co., Ltd.	CNY	95,326.40	2023/9/27	2024/9/24	No
the Company	Xiamen Xiangyu Agriculture Products Co., Ltd.	CNY	90,000.00	2023/12/13	2024/12/12	No
the Company	Xiamen Xiangyu Logistics Group Co., Ltd.	CNY	50,000.00	2022/12/21	2024/12/21	No
the Company	Hong Kong Topway Trading Co., Limited	CNY	14,791.48	2023/8/2	2025/12/31	No
the Company	Xiangyu Real Estate Group Co., Ltd.	CNY	134,000.00	2023/7/5	2026/7/4	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,190.00	2023/7/18	2024/8/8	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,000.00	2023/7/21	2024/8/8	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,100.00	2023/8/4	2024/8/8	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	3,710.00	2023/8/8	2024/8/8	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	100,000.00	2023/6/27	2024/6/26	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	10,000.00	2023/6/21	2024/6/21	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	11,600.00	2023/5/19	2024/5/18	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	4,900.00	2023/5/31	2024/5/30	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	3,150.00	2023/7/31	2024/7/30	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	20,000.00	2023/9/6	2024/9/5	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	8,000.00	2023/3/14	2024/3/14	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	30,000.00	2023/2/24	2025/2/9	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	10,000.00	2023/9/27	2024/9/27	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	6,734.00	2022/1/21	2024/1/20	No
the Company	Xiamen MMXYG Jinxiang Holdings Group Co., Ltd.	CNY	5,136.95	2022/1/26	2024/1/26	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	6,702.15	2022/1/27	2024/1/27	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,031.12	2022/2/17	2024/2/17	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	1,192.10	2022/2/18	2024/2/18	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	5,503.68	2022/2/25	2024/2/25	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	3,760.00	2022/9/16	2024/9/16	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	658.00	2022/9/21	2024/9/21	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	846.00	2022/9/28	2024/9/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	8,742.00	2022/9/29	2024/9/29	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,256.00	2022/10/8	2024/10/8	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,538.00	2022/10/13	2024/10/13	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	17,000.00	2023/7/6	2024/3/17	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	30,000.00	2023/8/1	2024/8/1	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	13,000.00	2023/9/11	2024/3/11	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	40,000.00	2023/9/11	2024/6/11	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	1,000.00	2023/6/29	2024/6/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	1,000.00	2023/6/29	2024/12/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	17,000.00	2023/6/29	2025/6/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	750.00	2023/6/29	2024/6/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	750.00	2023/6/29	2024/12/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	12,750.00	2023/6/29	2025/6/28	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,250.00	2023/6/29	2024/6/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	2,250.00	2023/6/29	2024/12/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	38,250.00	2023/6/29	2025/6/28	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	50,000.00	2023/4/21	2024/4/21	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	50,000.00	2023/8/15	2024/8/15	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	30,000.00	2021/12/10	2024/12/10	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	30,000.00	2022/3/1	2025/3/1	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	50,000.00	2023/3/13	2025/3/13	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	50,000.00	2023/4/13	2025/4/13	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	100,000.00	2023/7/25	2026/7/25	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	50,000.00	2022/7/1	2025/7/1	No
the Company	Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	CNY	50,000.00	2023/2/10	2026/2/10	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	19,234.47	2021/4/1	2026/3/29	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	15,000.00	2022/9/13	2026/7/10	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	10,000.00	2023/9/12	2024/9/12	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	5,013.32	2022/7/22	2027/1/5	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	500.00	2023/11/30	2025/11/30	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	500.00	2023/11/30	2025/11/30	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	500.00	2023/11/30	2025/11/30	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd.	CNY	8,500.00	2023/11/30	2025/11/30	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd	CNY	250.00	2023/11/30	2025/11/30	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd	CNY	250.00	2023/11/30	2025/11/30	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd	CNY	250.00	2023/11/30	2025/11/30	No
the Company	Xiamen Xiangyu Jinxiang Finance Leasing Co., Ltd	CNY	4,250.00	2023/11/30	2025/11/30	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	10,000.00	2023/6/21	2024/6/20	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	7,000.00	2023/5/17	2024/5/10	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	1,920.00	2023/7/13	2024/1/9	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,160.00	2023/7/14	2024/1/9	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,190.00	2023/7/18	2024/1/12	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,189.00	2023/7/21	2024/1/22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	2,187.00	2023/7/26	2024/1/22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	900.00	2023/7/28	2024/1/22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	1,454.00	2023/8/3	2024/1/22	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	5,000.00	2023/7/21	2024/7/20	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	4,000.00	2023/10/18	2024/4/16	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	1,700.00	2023/10/31	2024/4/25	No
the Company	Shenzhen Xiangyu Commercial Factoring Co., Ltd.	CNY	7,000.00	2023/11/10	2024/3/6	No
the Company	Xiamen Xiangyu Commercial Factoring Co., Ltd	CNY	46,300.00	2023/8/30	2024/3/11	No
the Company	Xiamen Xiangyu Commercial Factoring Co., Ltd	CNY	500.00	2023/11/10	2024/5/8	No
the Company	Xiamen Xiangyu Asset Management And Operation Co., Ltd	CNY	9,000.00	2022/10/17	2029/10/16	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Asset Management And Operation Co., Ltd	CNY	9,400.00	2023/11/23	2026/11/23	No
the Company	Xiamen Xiangyu Asset Management And Operation Co., Ltd	CNY	14,895.00	2023/12/22	2026/12/22	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	987.18	2023/10/20	2024/2/19	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	980.45	2023/10/26	2024/5/27	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	623.54	2023/10/26	2024/3/20	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	236.62	2023/11/24	2024/9/4	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	951.60	2023/11/29	2024/7/18	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	969.70	2023/12/1	2024/9/11	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	3,250.92	2023/12/21	2024/12/9	No
the Company	Xiamen Xiangsheng Commercial Factoring Co., Ltd.	CNY	10,000.00	2023/10/18	2024/6/21	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	10,000.00	2023/12/15	2024/12/14	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	3,600.00	2023/11/2	2024/11/1	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	40,000.00	2023/8/17	2024/7/24	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	40,000.00	2023/2/15	2024/2/14	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	12,000.00	2023/3/21	2024/3/20	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	10,000.00	2022/10/24	2025/10/24	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	20,000.00	2022/10/25	2023/10/24	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	10,000.00	2023/12/4	2024/12/4	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	10,000.00	2023/12/4	2024/12/4	No
the Company	Heilongjiang Jinxiang Biochemical Co., Ltd.	CNY	8,000.00	2023/11/22	2024/9/26	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	16,000.00	2023/3/1	2025/3/1	No
the Company	Fujian Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	20,000.00	2023/5/26	2024/3/21	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Fujin Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	20,000.00	2022/12/14	2024/12/13	No
the Company	Fujin Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	15,000.00	2023/10/25	2025/4/25	No
the Company	Fujin Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	5,000.00	2022/12/2	2025/11/30	No
the Company	Fujin Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	7,615.61	2023/2/14	2026/2/14	No
the Company	Bei'An Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	943.24	2022/11/22	2025/11/21	No
the Company	Bei'An Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	10,000.00	2020/11/13	2023/11/13	No
the Company	Bei'An Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	19,000.00	2023/3/1	2025/3/1	No
the Company	Bei'An Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	20,000.00	2023/3/20	2024/2/21	No
the Company	Bei'An Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	20,000.00	2022/12/14	2024/12/13	No
the Company	Bei'An Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	10,000.00	2023/10/25	2025/4/25	No
the Company	Bei'An Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	10,601.22	2022/12/28	2025/12/28	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	24,000.00	2023/9/28	2024/9/30	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	5,000.00	2023/3/9	2024/3/8	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	10,000.00	2023/12/6	2024/11/15	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	10,000.00	2023/12/23	2024/11/15	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	36,534.00	2019/2/27	2031/2/26	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	84,020.00	2019/2/27	2031/2/26	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	11,909.00	2019/2/27	2031/2/26	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	10,000.00	2022/10/25	2023/10/24	No
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	16,348.31	2022/12/8	2027/12/8	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Suihua Xiangyu Jingu Biochemical Technology Co., Ltd	CNY	35,372.16	2022/12/27	2025/12/27	No
the Company	Suihua Xiangyu Energy Co., Ltd	CNY	10,000.00	2019/11/19	2024/11/15	No
the Company	Hongkong Xiangyu Investment Co.,limited	CNY	347,052.30	2022/9/23	2025/9/23	No
the Company	Hongkong Xiangyu Investment Co.,limited	CNY	115,174.32	2022/12/19	2030/12/31	No
the Company	Hongkong Xiangyu Investment Co.,limited	CNY	163,149.03	2022/12/19	2030/12/31	No
the Company	PT Obsidian Stainless Steel	CNY	61,512.98	2020/12/15	2027/9/14	No
the Company	PT Obsidian Stainless Steel	CNY	297,901.80	2020/12/15	2027/9/14	No
the Company	PT Obsidian Stainless Steel	CNY	127,850.10	2020/12/15	2027/9/14	No
the Company	PT Obsidian Stainless Steel	CNY	162,902.10	2023/9/26	2024/9/25	No
the Company	PT Obsidian Stainless Steel	CNY	60,000.00	2023/11/7	2024/11/7	No
the Company	PT Obsidian Stainless Steel	CNY	40,000.00	2023/10/30	2024/10/30	No
the Company	PT Obsidian Stainless Steel	CNY	20,000.00	2023/8/28	2024/8/28	No
the Company	PT Obsidian Stainless Steel	CNY	15,000.00	2023/1/18	2024/1/17	No
the Company	PT Obsidian Stainless Steel	CNY	24,000.00	2023/2/28	2024/2/27	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10.00	2023/6/19	2024/6/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10.00	2023/6/19	2024/12/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10.00	2023/6/19	2025/6/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10.00	2023/6/19	2025/12/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	79,950.00	2023/6/19	2026/6/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,906.00	2023/7/7	2024/1/7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,043.89	2023/7/25	2024/1/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	645.46	2023/8/8	2024/2/2	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,191.40	2023/8/8	2024/2/2	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,138.44	2023/8/8	2024/2/2	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,138.24	2023/8/8	2024/2/2	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,117.44	2023/8/22	2024/2/16	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,061.48	2023/8/22	2024/2/16	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	40,639.63	2023/9/26	2024/2/22	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,206.61	2023/9/1	2024/2/28	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	611.27	2023/9/8	2024/3/6	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	742.85	2023/9/8	2024/3/6	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	8,523.31	2023/9/12	2024/3/8	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	959.38	2023/9/12	2024/3/8	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,178.99	2023/9/13	2024/3/11	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,178.86	2023/9/13	2024/3/11	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,966.20	2023/9/14	2024/3/12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	496.90	2023/9/21	2024/3/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	551.47	2023/9/21	2024/3/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,301.12	2023/9/21	2024/3/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,341.45	2023/9/20	2024/3/20	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	146.17	2023/10/20	2024/4/20	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,048.12	2023/11/7	2024/5/7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,119.32	2023/11/29	2024/5/29	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	450.00	2023/10/30	2024/4/26	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,800.00	2023/11/23	2024/5/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5,430.04	2023/12/8	2024/6/5	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,500.00	2023/12/8	2024/6/5	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,550.00	2023/12/8	2024/6/5	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	3,200.00	2023/12/11	2024/6/7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,746.19	2023/12/11	2024/6/7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	723.30	2023/12/11	2024/6/7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,077.90	2023/12/13	2024/6/7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,590.36	2023/12/13	2024/6/7	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,000.00	2023/12/18	2024/6/14	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	3,100.00	2023/12/21	2024/6/18	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,900.00	2023/12/27	2024/6/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	3,500.00	2023/12/27	2024/6/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	3,050.00	2023/12/27	2024/6/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,900.00	2023/12/27	2024/6/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,000.00	2023/12/27	2024/6/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	500.00	2023/12/28	2024/6/25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,650.00	2023/12/28	2024/6/25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,400.00	2023/12/28	2024/6/25	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,450.00	2023/12/28	2024/6/25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5,300.00	2023/12/28	2024/6/25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,800.00	2023/12/28	2024/6/25	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,268.11	2023/10/10	2024/4/5	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,187.77	2023/10/10	2024/4/5	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,619.32	2023/10/18	2024/4/15	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	3,906.55	2023/10/24	2024/4/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,180.24	2023/10/24	2024/4/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	273.00	2023/10/27	2024/4/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	304.70	2023/10/27	2024/4/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	504.93	2023/10/27	2024/4/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	3,000.00	2023/11/23	2024/5/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	27,000.00	2023/11/23	2024/5/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	8,000.00	2023/11/23	2024/5/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	12,000.00	2023/12/22	2024/6/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5.00	2023/12/12	2024/3/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5.00	2023/12/12	2024/9/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5.00	2023/12/12	2025/3/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5.00	2023/12/12	2025/9/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5.00	2023/12/12	2026/3/21	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5.00	2023/12/12	2026/9/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	29,970.00	2023/12/12	2026/12/12	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,511.39	2023/12/22	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,803.33	2023/12/22	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,844.78	2023/12/22	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,457.75	2023/12/22	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,494.76	2023/12/22	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,634.73	2023/12/22	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	7,650.00	2023/12/21	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,710.00	2023/12/21	2024/5/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	30,000.00	2023/10/26	2024/1/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,914.82	2023/12/1	2024/2/29	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,717.79	2023/12/1	2024/2/29	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	1,356.98	2023/12/1	2024/2/29	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	2,700.00	2023/10/20	2024/4/17	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2023/11/22	2024/5/20	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,000.00	2023/11/22	2024/5/20	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2023/11/24	2024/5/22	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	6,626.52	2023/12/22	2024/6/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,923.12	2023/12/22	2024/6/19	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,350.36	2023/12/22	2024/6/19	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	5,542.00	2023/12/27	2024/6/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	4,346.53	2023/12/26	2024/6/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2023/12/27	2024/6/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	10,000.00	2023/12/27	2024/6/21	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	50,000.00	2023/12/27	2024/6/24	No
the Company	Xiamen Xiangsheng Nickel Industry Co., Ltd.	CNY	20,000.00	2023/10/25	2024/7/25	No
the Company	Xiamen Xiangyu Xinghong Special Materials Co., Ltd.	CNY	300.00	2023/7/18	2024/1/18	No
the Company	Xiamen Xiangyu Smart Supply Chain Co., Ltd.	CNY	43,617.99	2021/9/29	2036/9/26	No
the Company	Xiamen Xiangyu Smart Supply Chain Co., Ltd.	CNY	24,288.00	2021/12/24	2036/12/23	No
the Company	Xiamen Xiangyu Smart Supply Chain Co., Ltd.	CNY	18,638.47	2022/5/19	2037/5/5	No
the Company	Xiamen Railway Logistics Investment Co., Ltd.	CNY	16,000.00	2015/9/1	2028/9/1	No
the Company	Xiamen Mintai Central Fishing Port Construction Development Co., Ltd.	CNY	7,470.00	2023/4/7	2038/3/20	No
the Company	Xiamen Xiangyu Cross Border E-Commerce Co., Ltd.	CNY	9,899.00	2023/5/12	2023/6/7	No
the Company	Xiamen International Cruise Home Port Group Co., Ltd.	CNY	5,749.55	2023/2/10	2031/1/29	No
the Company	Xiamen International Cruise Home Port Group Co., Ltd.	CNY	22,300.00	2023/11/30	2028/11/20	No
the Company	Xiamen Xiangyu Development Co. Ltd.	CNY	1,000.00	2023/6/21	2024/6/21	No
the Company	Xiamen Xiangyu Development Co. Ltd.	CNY	22,655.00	2011/7/26	2026/7/24	No
the Company	Xiamen Xiangyu Development Co. Ltd.	CNY	1,545.00	2011/7/26	2026/7/24	No
the Company	Xiamen Xiangyu Wine Co., Ltd.	CNY	950.00	2022/10/21	2024/9/23	No
the Company	Xiamen Xiangyu Wine Co., Ltd.	CNY	576.60	2023/11/27	2024/11/28	No
the Company	Xiamen Xiangyu Wine Co., Ltd.	CNY	980.00	2023/6/29	2024/6/29	No

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
the Company	Xiamen Xiangyu Commercial Real Estate Development Co., Ltd	CNY	30,500.00	2023/6/5	2030/6/1	No
the Company	Xiamen Bay Maritime Tourism Passenger Transport Co., Ltd	CNY	5,000.00	2023/10/23	2030/10/23	No
the Company	Yulin Xiangdao Logistics Co., Ltd	CNY	90,000.00	2022/8/29	2025/8/28	No
the Company	Yulin Xiangdao Logistics Co., Ltd	CNY	50,000.00	2023/4/14	2024/1/12	No
the Company	Yulin Xiangdao Logistics Co., Ltd	CNY	5,000.00	2023/12/18	2026/12/5	No

(ii) As at 31 December 2023, debt guarantee that the Company offers to companies outside the scope of consolidation:

Guarantor	Guarantee	Currency	Guarantee amount (RMB 0,000)	Starting date	Termination date	Whether the guarantee has been fulfilled
MXXYG Corporation	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	CNY	36,666.87	2022/12/29	2027/12/29	No
MXXYG Corporation	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	CNY	18,323.06	2020/5/25	2026/2/28	No
MXXYG Corporation	Xiamen Xihaiwan Cruise City Investment Co., Ltd.	CNY	58,724.27	2022/12/29	2027/6/29	No
Xiamen Xiangyu Logistics Group Co., Ltd.	Gao'an Chenghui Supply Chain Co., Ltd.	CNY	990.19	2023/3/24	3 years from the expiration of the debt performance period	No
Xiamen Xiangyu Development Co. Ltd.	Xiamen Xiangjing Tourist Investment Operation Co., Ltd.	CNY	261.47	2023/1/18	2032/12/19	No
MXXYG Corporation	Xiamen Tianma Display Technology Co., Ltd.	CNY	18,880.00	2022/11/9	2032/11/8	No
Xiangyu Real Estate Group Co., Ltd.	Tianjin Tian An Science Parks Development Limited	CNY	26,210.50	2021/4/15	2024/3/31	No
Xiangyu Real Estate Group Co., Ltd.	Tianjin Tian An Science Parks Development Limited	CNY	822.55	2023/10/30	2028/10/30	No
Xiangyu Real Estate Group Co., Ltd. and its subsidiaries	Mortgage guarantee	CNY	1,976,633.59	/	/	No

Details of related guarantees:

Besides the above-mentioned, there are:

The Company's subsidiaries, Xiamen Xiangyu Logistics Group Co., Ltd. and Xiamen Xiangyu Commodities Co., Ltd., are provided with tariff guarantees by Asia-Pacific Property & Casualty Insurance Co., Ltd., Xiamen Branch. The Company offers counter-guarantees for their tariff guarantee insurance. As at 31 December 2023, the total amount of the guarantee utilized is RMB 100,000,000.00.

The Company's subsidiaries, Hubei Chuxiang Supply Chain Group Co. Ltd, Xiamen Xiangyu Agriculture Products Co., Ltd, Xiamen Xiangyu Superchain Supply Chain Development Co., Ltd., Xiamen Xiangyu Logistics Group Co., Ltd., Xiamen Xiangyu New Energy Co., Ltd and Xiamen Zhenfeng Energy Co., Ltd are provided with tariff guarantees by Sunshine Property and Casualty Insurance Co., Ltd., Xiamen Branch. The Company offers counter-guarantee for their tariff guarantee insurance. As at 31 December 2023, the total amount of the guarantee utilized is RMB 328,185,000.00.

The Company's subsidiaries, Fujian Province Pingxing Imported Automobile Trading Center Co., Ltd, Fujian Xingda Import & Export Trading Co., Ltd, Xiamen Heyu Trading Co., Ltd, Xiamen Xiangyu Chemical Co., Ltd, Xiamen Xiangyu Mining Co., Ltd, Xiamen Xiangyu Aluwin Co., Ltd., Xiamen Xiangyu Automobile Co., Ltd, Xiamen Xiangyu Superchain Supply Chain Development Co., Ltd., Xiamen Xiangyu Logistics Group Co., Ltd., Xiangyu Resources Co., Ltd are provided with tariff guarantees by Bank of China Insurance Company Limited, Xiamen Branch. The Company offers counter-guarantee for their tariff guarantee insurance. As at 31 December 2023, the total amount of the guarantee utilized is 810,365,293.00.

9.3 Others

Except for the above-mentioned contingencies, as at 31 December 2023, the Company has no other significant contingencies need to be disclosed.

10. EVENTS AFTER THE REPORTING PERIOD

10.1 Restricted shares

On 8 December 2023, the subsidiary Xiamen Xiangyu Co., Ltd. held the 14th meeting of the 9th session board of directors and the 9th meeting of the 9th session board of supervisors. The meeting reviewed and approved "Proposal on the Achievement of the First Release Restriction Period for the First Release of Restricted Shares in the Company's 2020 Equity Incentive Plan". The first vesting period of restricted shares granted under the 2020 equity incentive program was over, and the vesting condition to unlock the restriction was met. 24 incentive recipients met the conditions to unlock the sales restrictions. The number of restricted shares to unlock from sales restrictions is 415,443 shares, accounting for 0.02% of the Company's total share capital. The listed and circulated date of the restricted shares released this time is 2 January 2024.

On 19 January 2024, the subsidiary Xiamen Xiangyu Co., Ltd. held the 16th meeting of the 9th session board of directors and the 10th meeting of the 9th session board of supervisors. The

meeting reviewed and approved "Proposal on the Achievement of the Second Release Restriction Period for the First Release of Grant Share Options in the Company's 2020 Equity Incentive Plan". 24 incentive recipients met the conditions to unlock the sales restrictions. The number of restricted shares to unlock from sales restrictions is 80,075 million shares, accounting for 0.35% of the Company's total share capital. The listed and circulated date of the restricted shares released this time is 25 March 2024.

On 15 March 2024, The subsidiary, Xiamen Xiangyu Co., Ltd. held the 18th meeting of the 9th session board of directors and the 11th meeting of the 9th session board of supervisors. The meeting reviewed and approved the "Proposal on Repurchase and Cancellation of Some Restricted Stocks". It was agreed that the company would repurchase and cancel a total of 1,934,128 restricted shares that have been granted to 23 incentive targets but have not been released from sale restrictions in the 2020 Equity Incentive Plan and the 2022 Restricted Stock Incentive Plan.

10.2 Others

Except for the information mentioned above, as at 26 April 2024, the Company has no other significant events after the reporting period need to be disclosed.

11. NOTES TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

11.1 Accounts Receivable

(a) Accounts receivable by aging

Aging	31 December 2023	31 December 2022
Within one year	327,863.77	45,050,056.14
1-2 years	44,781,907.69	754.92
Subtotal	45,109,771.46	45,050,811.06
Less: provision for bad debt	4,481,623.34	898,745.00
Total	40,628,148.12	44,152,066.06

(b) Accounts receivable by bad debt provision method

Category	31 December 2023				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised by groups	45,109,771.46	100.00	4,481,623.34	9.93	40,628,148.12
Including:Group 2	45,109,771.46	100.00	4,481,623.34	9.93	40,628,148.12
Total	45,109,771.46	100.00	4,481,623.34	9.93	40,628,148.12

(Continued)

Category	31 December 2022				
	Amount		Proportion (%)		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised by groups	45,050,811.06	100.00	898,745.00	1.99	44,152,066.06
Including:Group 2	45,050,811.06	100.00	898,745.00	1.99	44,152,066.06
Total	45,050,811.06	100.00	898,745.00	1.99	44,152,066.06

(c) Changes of provision for bad debt during the reporting period

Category	31 December 2022	Changes during the reporting period				31 December 2023
		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised by groups	898,745.00	3,582,878.34				4,481,623.34

11.2 Other Receivables

(a) Other receivables by category

Items	31 December 2023	31 December 2022
Interest receivable		
Dividend receivable	40,261,587.04	9,293,182.85
Other receivables	18,967,172,813.13	18,299,713,765.86
Total	19,007,434,400.17	18,309,006,948.71

(b) Dividends receivable

Items (or the investees)	31 December 2023	31 December 2022
Heilongjiang Jinxiang Biochemical Co., Ltd.	9,293,182.85	9,293,182.85
Chenyu Investment Partnership (Limited Partnerships)	30,968,404.19	
Subtotal	40,261,587.04	9,293,182.85
Less: Provision for bad debt		
Total	40,261,587.04	9,293,182.85

(c) Other Receivables

(i) Other receivables by aging

Aging	31 December 2023	31 December 2022
Within one year	18,955,156,668.80	18,249,046,647.20
1-2 years	11,994,833.88	49,640,526.42

Aging	31 December 2023	31 December 2022
2-3 years		1,004,219.67
3-4 years		4,737.87
4-5 years	4,000.00	
Over 5 years	18,435.00	18,435.00
Subtotal	18,967,173,937.68	18,299,714,566.16
Less: provision for bad debt	1,124.55	800.30
Total	18,967,172,813.13	18,299,713,765.86

(ii) Other receivables by bad debt provision method

A. As at 31 December 2023, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	18,967,173,937.68	1,124.55	18,967,172,813.13

B. As at 31 December 2022, provision for bad debt recognised based on three stages model

Stages	Book balance	Provision for bad debt	Carrying amount
Stage 1	18,299,713,828.29	62.43	18,299,713,765.86
Stage 2	737.87	737.87	
Total	18,299,714,566.16	800.30	18,299,713,765.86

(iii) Changes of provision for bad debt during the reporting period

Category	31 December 2022	Changes during the reporting period				31 December 2023
		Provision	Recovery or reversal	Elimination or write-off	Others	
Provision for bad debt recognised individually	62.43	1,062.12				1,124.55
Provision for bad debt recognised by groups	737.87			737.87		
Total	800.30	1,062.12		737.87		1,124.55

11.3 Long-term Equity Investments

Items	31 December 2023			31 December 2022		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Subsidiaries	22,339,283,193.16	169,200,000.00	22,170,083,193.16	21,595,341,302.15	67,683,990.00	21,527,657,312.15
Joint ventures and associates	5,950,421,987.12	64,916,008.15	5,885,505,978.97	432,527,930.37	64,916,008.15	367,611,922.22
Total	28,289,705,180.28	234,116,008.15	28,055,589,172.13	22,027,869,232.52	132,599,998.15	21,895,269,234.37

(a) Investments in subsidiaries

Investees	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023	Provision for impairment during the reporting period	Provision for impairment at 31 December 2023
Xiamen Xiangyu Co., Ltd.	3,315,102,118.37	144,104,653.07		3,459,206,771.44		
Xiamen XMXYG Jinxiang Holdings Group Co., Ltd.	3,429,722,238.54	308,541,300.00		3,738,263,538.54		
Xiangyu Real Estate Group Co., Ltd.	3,339,226,174.81			3,339,226,174.81		
Xiamen Xiangsheng Nickel Industry Co., Ltd.	2,832,886,217.70			2,832,886,217.70		
Heilongjiang Jinxiang Biochemical Co., Ltd.	1,072,861,500.00	750,006,000.00		1,822,867,500.00		
Fujian Xiangyu Shell Oil Co., Ltd.	577,304,800.00			577,304,800.00		
Xiamen Xiangcai Investment Partnership (Limited Partnership)	10,296,323.08	189,620,000.00		199,916,323.08		
Xiamen Xiangyu Investment Partnership (Limited Partnership)	9,900,000.00			9,900,000.00		
Xiamen Railway Logistics Investment Co., Ltd.	282,121,308.66			282,121,308.66		
Xiamen Xiangyuxinghong Technologies Co., Ltd.	101,516,010.00				101,516,010.00	163,200,000.00
Xiamen Xiangyu Investment Co., Ltd.	1,301,596,682.71			1,301,596,682.71		
Xiamen XMXYG Payment Co., Ltd.	96,204,500.00		96,204,500.00			
Hong Kong Xiangyu Caiyi CO., Limited	68,845,000.00			68,845,000.00		
Hongkong Xiangyu Investment Co., Limited	63,582,222.36			63,582,222.36		
Xiamen Xiangsheng Investment Partnership (Limited Partnership)	1,000,000,000.00		1,000,000,000.00			
Xiamen Xiangcai Investment Partnership (Limited Partnership)	644,000,000.00			644,000,000.00		
Xiamen Xiangyu International Trading Development Co.						6,000,000.00
Xiamen International Cruise Home Port Group Co., Ltd.	1,601,713,770.77			1,601,713,770.77		
Xiamen Froc Trade Investment Development Co., Ltd.	195,188,763.84		195,188,763.84			

Investees	31 December 2022	Increase during the reporting period	Decrease during the reporting period	31 December 2023	Provision for impairment during the reporting period	Provision for impairment at 31 December 2023
Xiamen Xiangchen Investment Partnership (Limited Partnership)	1,000,000,000.00			1,000,000,000.00		
Xiamen Xinweitian Corporate Management Co., Ltd.		60,574,437.94		60,574,437.94		
Chenyu Investment Partnership (Limited Partnership)		349,300,000.00		349,300,000.00		
Xiamen Xiangkun Investment Partnership (Limited Partnership)		38,000,000.00		38,000,000.00		
Xiamen Xiangyu Construction Group Co., Ltd.	585,589,681.31	195,188,763.84	316,858,630.20	463,919,814.95		
Xiamen Xiangyu Free Trade Zone Development Co., Ltd.		316,858,630.20		316,858,630.20		
Total	21,527,657,312.15	2,352,193,785.05	1,608,251,894.04	22,170,083,193.16	101,516,010.00	169,200,000.00

(b) Investments in joint ventures and associates

Investees	31 December 2022	Changes during the reporting period				Adjustments of other comprehensive income
		Increase during the reporting period	Decrease during the reporting period	Gains/(losses) on investments under the equity method		
Associates:						
Fu Jian Provincial Port Group Co., Ltd.				123,334,983.83		-350,411,562.03
Haixia Goldenbridge Insurance Co., Ltd.	53,113,097.58					
Xiamen Modern Terminal Co., Ltd.	116,827,262.18				8,781,951.43	-64,553.33
Xiamen International Logistics Port Co. Ltd.	68,894,131.79				-4,316,033.62	1,877.72
Fujian Xingzheng Strategy Venture Capital Partnership L.P.	16,995,606.32				-607,192.51	
Linxia Xialin Economic Development Co., Ltd.	51,841,064.67		8,750,000.00		-29,688,509.35	
Xiamen Citizen Data Service Co., Ltd.	20,416,221.41			20,401,608.26	-14,613.15	
Zhongnan Growth (Tianjin) Equity Investment Fund Partnership LLP	9,660,727.89				1,972,897.32	-917,905.92

Investees	31 December 2022	Changes during the reporting period				Adjustments of other comprehensive income
		Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method		
China Cultural Industry Investment Fund of Fund Management Co., Ltd.	22,818,106.99			2,727,567.10		
Shenzhen Zhongnan Chengzhang Investment Management Co., Ltd.	3,300,881.43			2,320,695.50		
Shenzhen Zhongnan Growth Investment Partnership LLP	3,744,821.96			117,529.74	-95,117.51	
Total	367,611,922.22	8,750,000.00	20,401,608.26	104,629,276.29	-351,487,261.07	

(Continued)

Investees	Changes during the reporting period					Provision for impairment at 31 December 2023
	Changes in other equity	Declaration of dividends or distribution of profit	Provision for impairment	Others	31 December 2023	
Associates:						
Fu Jian Provincial Port Group Co., Ltd.	3,003,828.00			5,785,433,428.99	5,561,360,678.79	
Haixia Goldenbridge Insurance Co., Ltd.					53,113,097.58	64,916,008.15
Xiamen Modern Terminal Co., Ltd.	-68,207.20	9,125,000.00			116,351,453.08	
Xiamen International Logistics Port Co. Ltd.					64,579,975.89	
Fujian Xingzheng Strategy Venture Capital Partnership LLP					16,388,413.81	
Linxia Xialin Economic Development Co., Ltd.					30,902,555.32	
Xiamen Citizen Data Service Co., Ltd.						
Zhongnan Growth (Tianjin) Equity Investment Fund Partnership LLP		2,312,500.00			8,403,219.29	
China Cultural Industry Investment Fund of Fund Management Co., Ltd.		347,900.00			25,197,774.09	
Shenzhen Zhongnan Chengzhang Investment Management Co., Ltd.		180,000.00			5,441,576.93	
Shenzhen Zhongnan Growth Investment Partnership LLP					3,767,234.19	

Investees	Changes during the reporting period				31 December 2023	Provision for impairment at 31 December 2023
	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	Others		
Associates:						
Fu Jian Provincial Port Group Co., Ltd	3,003,828.00			5,785,433,428.99	5,561,360,678.79	
Total	2,935,620.80	11,965,400.00		5,785,433,428.99	5,885,505,978.97	64,916,008.15

11.4 Revenue and Cost of Sales

Items	2023		2022	
	Revenue	Costs of sales	Revenue	Costs of sales
Other activities	220,046,000.02	64,777,073.22	122,804,984.04	38,346,743.29

11.5 Investment Income

Items	2023	2022
Investment income from long-term equity investments under equity method	104,629,276.29	22,317,086.07
Gains on disposal of long-term equity investments	-27,834,581.95	736,672,044.68
Investment income from held-for-trading financial assets during the holding period	225,615,278.43	118,420,557.66
Interest income from debt investment during the holding period		21,619,497.44
Gains on disposal of held-for-trading financial assets	64,710,454.05	49,687,379.84
Interest income from debt investment during the holding period		664,068.76
Investment income from long-term equity investments under cost method	837,864,634.10	671,783,523.29
Total	1,204,985,060.92	1,621,164,157.74

12. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 19 April 2024.



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